




3 1761 11648235 7

Government  
Publications



Government  
Publications



Digitized by the Internet Archive  
in 2023 with funding from  
University of Toronto









U. Doc  
Can  
Com  
V

Canada, Veterans Affairs, Special  
Committee on, 1946

CA1  
XC2  
-45V21

SESSION 1946  
HOUSE OF COMMONS

770-  
30

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS [evidence  
and reports]  
No. 1

Tuesday, March 26, 1946

LIBRARY  
JUN 5 1946  
UNIVERSITY OF TORONTO

Including:

History of Canadian Pension Legislation (reprinted from the Minutes of the Special Committee on Pension Act and the War Veterans' Allowance Act, Session 1941); and  
Report of the Interdepartmental Committee on Veterans Affairs.





## ORDERS OF REFERENCE

HOUSE OF COMMONS,

FRIDAY, 22nd March, 1946.

Resolved, That a Select Committee be appointed to:—

1. To consider all legislation passed since the commencement of the war with the German Reich relating to the pensions, treatment and re-establishment of former members of His Majesty's Armed Forces and of other persons who have otherwise engaged in pursuits closely related to war;

2. To prepare and bring in one or more Bills to clarify, amend or supplement the above legislation;

With power to send for persons, papers and records; to print its proceedings, and to report from time to time to the House;

That the provisions of Section 1, Standing Order 65, be waived in respect to this Committee.

And that the said Committee shall consist of the following members:—  
Messrs. Abbott, Adamson, Archibald, Ashby, Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Bridges, Brooks, Bruce, Claxton, Cleaver, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Dorion, Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Gibson (*Hamilton West*), Gillis, Green, Halle, Harkness, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Kidd, Langlois, Lapointe, Lennard, Marshall, Mackenzie, Macdonald (*Halifax*), MacNaught, Merritt, Mitchell, Moore, Mutch, Pearkes, Power, Probe, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Skey, Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Whitman, Winkler, Winters, Wright.

---

TUESDAY, 26th March, 1946.

Ordered, That the said Committee be empowered to sit while the House is sitting.

Ordered, That its quorum be 15 members, and that Section 3 of Standing Order 65 be suspended in relation thereto.

Attest.

ARTHUR BEAUCHESNE,  
*Clerk of the House.*

## REPORT TO THE HOUSE

TUESDAY, March 26, 1946.

The Special Committee on Veterans Affairs begs leave to present the following as its

### FIRST REPORT

Your Committee recommends:—

1. That it be empowered to sit while the House is sitting;
2. That its quorum be 15 members, and that Section 3 of Standing Order 65 be suspended in relation thereto.

All of which is respectfully submitted.

WALTER A. TUCKER,  
*Chairman.*



## MINUTES OF PROCEEDINGS

TUESDAY, March 26, 1946.

The Special Committee on Veterans Affairs met at 11:00 o'clock a.m.

*Members present:* Messrs. Archibald, Baker, Belzile, Benidickson, Blair, Blanchette, Brooks, Cleaver, Cockeram, Cruickshank, Drope, Emmerson, Gauthier (*Portneuf*), Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Kidd, Lennard, Mackenzie, Macdonald (*Halifax*), Moore, Mutch, Pearkes, Probe, Quelch, Ross (*Souris*), Sinclair (*Vancouver N.I.*), Skey, Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Winkler, Winters, Wright.

On motion of Mr. Blanchette, seconded by Mr. Brooks, Mr. W. A. Tucker was elected Chairman.

The Chairman thanked the Committee for the honour conferred upon him.

On motion of Mr. Tremblay, Mr. Blanchette was elected Vice-Chairman.

On motion of Mr. Mutch, it was resolved that the Committee ask leave to sit while the House is sitting.

On motion of Mr. Winters, it was resolved that the Committee recommend that its quorum be reduced to 15, and that Section 3 of Standing Order 65 be suspended in relation thereto.

On motion of Mr. Cruickshank, it was ordered that 1,500 copies in English and 500 copies in French of the minutes of proceedings and evidence of the Committee be printed from day to day.

On motion of Mr. Cockeram, it was resolved that a Steering Committee consisting of the following members be appointed: Chairman, Vice-Chairman and Messrs. Brooks, Croll, Green, Quelch and Wright.

On motion of Mr. Brooks, it was ordered that a history of Canadian Pension legislation filed by the late General McDonald with the Special Committee on the Pension Act and the War Veterans Allowance Act, Session 1941, be printed as appendix "A" to this day's Minutes of Proceedings.

The Chairman tabled a report dated March 20, 1946, received from the Interdepartmental Committee on Veterans Affairs, appointed by the Honourable the Minister of Veterans Affairs on January 11, 1946, pursuant to a recommendation contained in the final report to the House of the Special Committee on Veterans Affairs, 1945 session.

On motion of Mr. Emmerson, it was ordered that this report be printed as appendix "B" to this day's Minutes of Proceedings.

On motion of Mr. Cleaver, it was resolved that the Committee express its appreciation of the work done by the members of the Interdepartmental Committee.

The Chairman outlined the work facing the Committee and stated, among other subjects, it would be asked to consider the following:—

1. a bill to amend The Veterans' Land Act, 1942;
2. a bill to grant certain benefits to Fire Fighters and Supervisors in the Auxiliary Services;

3. a bill to amend the Pension Act;
4. a bill to grant pension rights to certain non-service personnel who served in "dangerous waters";
5. a revision of The War Veterans' Allowance Act;
6. a bill to amend the Soldier Settlement Act;
7. business and professional loans to veterans;
8. a bill to provide pensions to Canadian veterans who served with the Armed forces of our allies;
9. a bill to extend rehabilitation benefits to Canadian veterans who served with the Armed Forces of our allies;
10. a bill to give legislative effect to Order in Council P.C. 6938, dated November 15, 1945: *The South African Nursing Services (Benefits) Order*;
11. a bill to extend veteran benefits to Canadian ex-members of the Women's Royal Naval Service;
12. a bill to provide pension rights to certain persons who performed special duty in war areas;
13. veteran preference in Civil Service employment and re-employment of veterans in the Civil Service;
14. extension of certain benefits to Merchant Seamen;
15. a bill to extend the provisions of The War Services Grants Act, 1944, to Canadian veterans who served with the Armed Forces of our allies;
16. a bill providing out of work allowances to veterans awaiting vocational training.

On motion of Mr. Lennard, it was agreed that the question of the Committee's agenda be referred to the Steering Committee.

On motion of Mr. Mutch, it was resolved that the Committee meet at 11:00 o'clock a.m., on Tuesday, Thursday and Friday weekly.

Mr. Herridge raised the question of the delay in concluding an agreement between the Dominion government and the government of the province of British Columbia in respect to the settlement of veterans on provincial lands. On the suggestion of the Chairman, it was agreed that information be obtained from the Director, Veterans' Land Act, at the next sitting.

Mr. Mutch raised the question of priorities to veterans in the purchase of trucks and other motor vehicles. After discussion, it was agreed that the Chairman communicate with the Department of National Defence with a view to expediting the release of surplus war material of this nature. It was also agreed that the Department of Veterans Affairs be requested to give consideration to the possibility of acquiring surplus vehicles direct from the War Assets Corporation for distribution to veterans.

At 12:00 o'clock noon the Committee adjourned until Thursday, March 28, at 11:00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*

## APPENDIX "A"

CANADIAN MILITARY PENSIONS LEGISLATION—  
A BRIEF HISTORY

(Reprinted from the Minutes of the Special Committee on the Pension Act and the War Veterans' Allowance Act, Session 1941.

*Note:* The Act has been amended since that date by the introduction of Section 11 (3) but the history otherwise is complete).

Soldiers of France demobilized in Canada about the year 1670 received grants of land as compensation for service. Officers accepted seigniories and soldiers farmed as tenants under their former officers. England pensioned soldiers in Canada by government grants of land. This form of pension or compensation was continued to Canadian soldiers of the Revolutionary War and the War of 1812. Whilst money was also paid to regulars and militia men, such payments were given either as additional pay, prize money or gratuity.

In 1867, by means of the British North America Act, the Federal Government of Canada was empowered to legislate with regard to military and naval matters. The earliest Canadian legislation on record relating to pensions for military service, however, appears in respect to persons incapacitated while repelling the Fenian Raids in 1866; and by virtue of an Order in Council dated July 8, 1885, with respect to those who assisted in quelling the North West Rebellion.

There was no Canadian pension provision for those who served in the South African War of 1899-1902. Members of the Canadian South African Contingent were required to qualify under the British regulations, and pensions both respecting disability and death arising out of the South African Campaign, were paid by the British Government, although in comparatively recent years our legislation has made provision for supplementing such pensions to Canadian rates and our War Veterans' Allowance Act has been amended to confer its benefits upon Canadians who had active service in South Africa.

A study of early provisions reveals that confusion existed as to the principle upon which our Pension law should be based. We find that a service pension, given upon completion of long term service, was considered a mark of gratitude, whereas pension for disability or death due to service was given in payment of a debt. Pensions solely to provide subsistence in cases of need were seriously considered. For the purpose of this history however, it is sufficient to say that (apart from long service pensions) the Law was finally based on the principle of providing reparation or compensation for the degree of incapacity in the common labour market (or to the dependents following death), suffered by a member of the forces as a consequence or result of service.

Between the years 1885 and the outbreak of the Great War in 1914, little legislative action was taken other than the passage of the Militia Act of 1901, providing service pensions to officers and men of the permanent militia on completion of service, and the Pay and Allowance regulations of 1907, governing "compensation on account of deaths, injuries and disease." The latter regulations differentiated in the degree of pension between "war" and "peace" casualties. Following is an excerpt taken from part 8 of the Pay and Allowance regulations aforementioned:—



## PENSIONS FOR WOUNDS, ETC., ON ACTIVE SERVICE

438. The following rates of pension and remuneration will be granted militiamen wounded or disabled on active service, and to the widows and children of those who have been killed in battle or who have died from injuries or illness contracted on active service:—

Rank at time of wounds, illness, etc.	First Degree	Second Degree	Third Degree	Fourth Degree
Lieutenant .....	\$400	\$300	\$200	\$150
Warrant Officers.....	300	225	150	112
Staff-sergeant .....	240	180	120	90
Sergeant .....	200	150	100	75
Corporal .....	170	130	85	65
Private .....	150	110	75	55

(a) The first degree shall be applicable to those only who are rendered totally incapable of earning a livelihood as a result of wounds received in action.

(b) The second degree shall be applicable to those who are rendered totally incapable of earning a livelihood as a result of injuries received or illness contracted on active service, or rendered materially incapable as a result of wounds received in action.

(c) The third degree shall be applicable to those who are rendered materially incapable of earning a livelihood as a result of injuries received or illness contracted on active service or rendered in a small degree incapable of earning a livelihood as a result of wounds received in action.

(d) The fourth degree shall be applicable to those who are rendered in a small degree incapable of earning a livelihood as a result of injuries received or illness contracted on active service.

439. If the provision awarded to a widow or an orphan is in the form of a pension, the undermentioned rates per annum must not be exceeded in settling the amount of the pension, viz:—

440. To a widow a sum equal to three-tenths of what her late husband's daily pay would amount to for the period of twelve months.

With the advent of the Great War and mobilization of a large army mainly of civilians for active war service outside Canada, the inadequacy of existing legislation became apparent.

The situation, however, continued to be governed by Orders in Council administered by the Minister of Militia from the outbreak of the Great War until the passage of P.C. 1334 on June 3rd, 1916, which vested administration of all existing regulations in a Board of Pension Commissioners comprising three members.

Contingencies continued to be met by Order in Council until, upon recommendation by Parliamentary Committee, P.C. 3070 of December 21st, 1918, was passed. This Order in Council not only directed that the "Commissioners comprising the Pension Board shall devote the whole of their time to the performance of their duties", but also consolidated all previous pension provisions for direction of, and administration by the Board. In fact it would seem the terms of P.C. 3070 largely formed the basis of the original "Pension Act", Chapter 43 assented to on July 7th, 1919.

The absence of more comprehensive legislation prior to the enactment of 1919 will be more readily appreciated when it is recognized that until our participation in the Great War of 1914-1918, pensions had been paid mainly

respecting members who had either completed their contract or ended the term of engagement in the Militia or Permanent Force; whereas, during and since the Great War the major problem has been that of dividing pension eligibility in respect to disability or death arising out of "Active Service."

### *Basis of Entitlement*

Pension entitlement has been decided respecting members of the forces generally on the following basis:—

#### 1. Compensation for disability resulting from service.

- (a) In the case of those who served in a theatre of war or on active service, for disability incurred during, attributable to, or aggravated during service.
- (b) In the case of Militia or Permanent Force, where the disability is considered to be directly caused by service or incurred during the performance and as a result of duty.

#### 2. Long service; completion of contract or termination of engagement.

The same rules have applied and still govern the matter of entitlement to pension for widows, in so far as the qualification to pension for dependents is contingent upon the establishment of relationship to service of the condition resulting in the death of the member of the forces, in the same manner as that governing entitlement to pension set out above.

Until June 3rd, 1916, pension was payable only when disability or death was *directly caused* by the performance of duty during service. This principle, namely, that pension shall be paid only when disability or death was the *direct result* of service, was the principle upon which pension laws were based in all countries up to that time.

Canada, however, discarded the "due to service" principle in 1916, so far as members of the Naval and Expeditionary Forces on Active Service were concerned. A new principle, generally known in official circles as "the insurance principle" was adopted. It was apparently felt at that time the State should accept complete responsibility for whatever happened to a member of the forces during his active service, whether or not any consequential disability (or death) had direct causation in the performance of duty, for example:

Two soldiers, A and B, leave barracks together. A is going on leave, B on duty, carrying an official message. As they cross the street, both are knocked down and injured by the same automobile. A is not pensionable for any consequential disability under the "*directly due to service*" principle, but B is, as the latter was injured in the execution of his duty. Under the insurance principle, however, both would be entitled.

Indeed, the "insurance principle" extends much further, particularly as it relates to disability consequent upon disease. It provides that when disability from any cause or disease exists in a member of the forces (who has served in an actual theatre of war) at the time of discharge from service, the full extent of such disability shall be pensioned unless the condition resulting in disability was either obvious, congenital, or concealed on enlistment. It goes still further, and provides that where competent medical evidence shows reasonable presumption that disease started, or was aggravated during service, the resulting disability shall be pensioned (see Section 63 of the Act).

It is interesting to note that in determining entitlement to pension for disability and death in the original enactment of 1907, only four classes or degrees of pension, and as late as 1916 only six classes were provided for. In order to qualify for the first degree (or total pension) the incapacity must have been "a result of *wounds* received in action", whereas second degree pension was provided "to those who are rendered totally incapable of earning a livelihood

as a result of injuries received or illness contracted on active service", and third degree pension provided for lesser disablement consequent upon "injuries or illness contracted on active service" and fourth degree for still lesser disability consequent upon injuries or illness. It will be noted that the first degree, or total pension, is granted *only for total incapacity consequent upon wounds*, and this makes no provision for disability consequent upon injuries or illness which must therefore fall into the lower groups.

The governing or basic principle of pension law in determining entitlement was contained in Section 11 of the original Act of 1919, and although this particular section has been amended from time to time, it is still the keystone. The original Section 11 reads as follows:—

"11. (1) The Commission shall award pensions to or in respect of members of the forces who have suffered disability in accordance with the rates set out in Schedule A of this Act, and in respect of members of the forces who have died, in accordance with the rates set out in Schedule B of this Act, when the disability or death in respect of which the application for pensions is made was attributable to or was incurred or aggravated during military service.

Provided that when a member of the forces has, during leave of absence from military service, undertaken an occupation which is unconnected with military service no pension shall be paid for disability or death incurred by him during such leave unless his disability or death was attributable to his military service.

Provided further that when a member of the forces has suffered disability or death after the declaration of peace, no pension shall be paid unless such disability was incurred or aggravated or such death occurred, as the direct result of military service.

(2) When a member of the forces is, upon retirement or discharge from military service, passed directly to the Department of Soldiers' Civil Re-establishment for treatment, a pension shall be paid to or in respect of him for disability or death incurred by him during such treatment."

If it is remembered that Section 11 governs all matters of pension entitlement *in the first instance*, and that this section is the door through which all initial claims must pass before pension may be granted, a better appreciation of the whole Pension Act and its ramifications is obtained.

An excellent illustration of the insurance principle is contained in a statement made by the Honourable Mr. N. W. Rowell, K.C., who was in charge of the Bill during a discussion of the pension legislation in the House of Commons in 1919, as follows:—

"Under our pension law, if a soldier contracts disease (during service) under purely normal conditions, having no relation at all to service, he becomes entitled to pension. It is really an insurance system."

The terms of Paragraph 3, Clause 1 of Section 11 of the original Act further illustrate the insurance principle:—

"That when a member of the forces has suffered disability or death after the declaration of peace, no pension shall be paid unless such disability was incurred or aggravated or such death occurred as the *direct* result of military service."

Asked the reason for this proposal, Mr. Rowell answered, in part—"During peace the insurance element should be eliminated."

Section 11 of the original Act of 1919 was repealed by the enactment of Chapter 62, assented to July 1, 1920, abolishing the "insurance principle"



in respect to entitlement for disability and death. The amended Section 11 reads as follows:—

"11. The Commission shall award pensions to or in respect of members of the forces who have suffered disability in accordance with the rates set out in Schedule A of this Act, and in respect of members of the forces who have died in accordance with the rates set out in Schedule B of this Act, when the disability or death in respect of which the application for pension is made, was attributable to military service."

It will be noted the provision to grant for conditions "incurred or aggravated during service" is eliminated.

The *direct service causation* or attributability principle was confirmed by the enactment of Chapter 45, June 4, 1921. It was then suggested in Parliamentary Committee and Commons' discussion that all former members of the Canadian Expeditionary Force who had incurred disease or disability during the Great War had, or should have, made application, and the new section was primarily intended to cover those serving with the Permanent and Non-Permanent Active Militia, as well as belated C.E.F. claims, where disability or death could be shown to have causation in service.

However, Section 11 was again amended by Chapter 38, assented to June 28, 1922, as a result of which the "insurance principle" was restored with respect to former members of the Canadian Expeditionary Force who have served in a "theatre of war." Before this principle applied, however, such applicants for pensions were required to show that the *disability* forming the basis of claim existed at the time of discharge from the forces. This particular amendment is quoted here and its unusual features will be noted:—

"Any disability from which a member of the forces who served in an actual theatre of the Great War was suffering at the time of his discharge, shall for pension purposes be deemed to be attributable to or to have been incurred or aggravated during his military service, unless and until it be established by the Commission that the disability was not attributable to or incurred or aggravated during such service."

The section was further amended following the findings of the Ralston Commission by the enactment of Chapter 62, assented to June 30, 1923. Not only were the provisions as enacted in 1919 restored, but the section was amended to practically the same form and reading as it exists to-day, the "insurance principle" being fully restored to cover all former members of the Canadian Expeditionary Force who served in a theatre of actual war, regardless of the date of appearance of disability, and Section 11 (2) was added, confirming the "direct service causation principle" in respect to disability or death occurring with members of the Permanent or Non-Permanent Active Militia after the war.

Since June 30, 1923, by Chapter 62, the Pension Act has also made special provision for the granting of pension in compassionate cases where the circumstances are unusually meritorious and where the applicant has been unable to establish claim within the provisions of section 11. This clause, known as Section 21, reads as follows:—

21. (1) The Commission may, on Special application in that behalf, grant a compassionate pension or allowance in any case which it considers to be specially meritorious but in which the Commission has decided that the applicant is not entitled to an award under this Act.

(2) The amount of any compassionate pension or allowance under this section shall be such sum as the Commission shall fix, not exceeding the amount to which the applicant would have been entitled if his right to payment has been upheld. 1924, c.60, s.4; 1928, c.38, s.11; 1930, c.35, s.8; 1933, c.45, s.10; 1939, c.32, s.10.



Difference of opinion has arisen from time to time as to the intention behind the introduction of this Section into our legislation. Its application has generally been made in cases of death where the service was unusually long, arduous and meritorious, although it has been applied in a few cases during the lifetime of the soldier.

The amendment of June 27, 1925, contained a further technical change in the phraseology of Section 11. This, however, did not in any manner alter the basic principles which remain as already outlined to this day, and the Section now reads:—

11. (1) In respect of military service rendered during the war, (a) pensions shall be awarded to or in respect of members of the forces who have suffered disability in accordance with the rates set out in Schedule A of this Act, and in respect of members of the forces who have died in accordance with the rates set out in Schedule B of this Act, when the injury or disease, or aggravation thereof resulting in disability or death in respect of which the application for pension made was attributable to or was incurred during such military service;

(b) no deduction shall be made from the degree of actual disability of any member of the forces who has served in a theatre of actual war on account of any disability or disabling condition which existed in him at the time at which he became a member of the forces; but no pension shall be paid for a disability or disabling condition which at such time was wilfully concealed, was obvious, was not of a nature to cause rejection from service, or was a congenital defect;

(c) an applicant shall not be denied a pension in respect of disability resulting from injury or disease or the aggravation thereof incurred during military service or in respect of the death of a member of the forces resulting from such injury or disease or the aggravation thereof solely on the ground that no substantial disability or disabling condition is considered to have existed at the time of discharge of such member of the forces;

(d) when a member of the forces is, upon retirement or discharge from military service, passed directly to the Department of Pensions and National Health for treatment, a pension shall be paid to or in respect of him for disability or death incurred by him during such treatment;

(e) when a member of the forces has during leave of absence from military service undertaken an occupation which is unconnected with military service no pension shall be paid for disability or death incurred by him during such leave unless his disability or death was attributable to his military service;

(f) subject to the exception in paragraph (b) of this sub-section, when a pension has been awarded to a member of the forces who has served in a theatre of actual war, it shall be continued, increased, decreased or discontinued, as if the entire disability had been incurred on service.

(2) In respect of military service rendered after the war, pensions shall be awarded to or in respect of members of the forces who have suffered disability, in accordance with the rates set out in Schedule A of this Act, and in respect of members of the forces who have died, in accordance with the rates set out in Schedule B of this Act, when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made was attributable to military service as such.

(3) The Commission may require a pensioner to submit periodically in such form as may in the opinion of the Commission be necessary or advisable, a statutory or other declaration that he is the person to whom the pension is payable, and that his dependents in respect of whom he is

in receipt of additional pension are living and are being supported and maintained by him, and in the event of his refusing or neglecting to submit such certificate, the Commission may suspend future payments of pension until the same is received. 1923, c. 62, s. 3; 1925, c. 49, s. 1.

The benefits of the insurance principle in relation to disability from disease will be noted if clauses (b) and (f) of the above section are studied.

Much difficulty has arisen in the administration of the Pension Act, in determining entitlement for disability or death consequent upon disease. This is readily understood when one considers the wide range or field covered by the art of medicine and the difficulty which confronts even the most expert in determining the origin or cause of systemic disease. Indeed, in the absence of service medical record, in the majority of systemic diseases and practically all diseases falling into the neuro-psychiatric group, it has not been possible for medical men to give more than presumptive evidence of the existence or origin of disease during service in cases where the actual *disability* from such disease has arisen or become manifest many years post discharge. A generous provision in this regard is Section 63 of the Act, which reads:—

63. Notwithstanding anything in this Act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences in favour of the applicant. 1930, c. 35, s. 14.

In spite of the continuation of the insurance principle (and the terms of Section 63), it has become increasingly difficult with the passing of years, to establish service origin and pension entitlement for disablement consequent upon disease.

In 1930 therefore, the War Veterans' Allowance Act was passed, providing (contingent upon other income) \$20 a month for single men and \$40 per month for married men, in cases where the soldier, who served in a theatre of actual war, (a) has attained the age of 60 years, (b) the veteran of any age, because of disability, is permanently unemployable. This "allowance" must not be confused with "pension", the right to which must be established within the provisions of the Pension Act. The difference between "allowance" and "pension" is that the former is exactly what it says, namely, an allowance to provide sustenance in cases of need where the disablement cannot be traced to war service within the meaning of the Pension Act; whereas "pension" is paid regardless of the economic situation for proven war disability within the terms of the Pension Act. Furthermore, the "allowance" may be paid for only one year after the death of the soldier, whereas "pension" may be indefinitely paid to dependents in all cases where—(1) the pensioner is in receipt of 50 per cent or more "pension" at the time of death; (2) death is consequent upon a pensionable condition. The War Veterans' Allowance Act has undoubtedly relieved much distress and is indeed one of the most generous measures of its kind ever undertaken. Those who have been closely associated with the problem of war pensions and aftercare will, however, agree that in many cases now receiving the Allowance, where pre-aging or disability is consequent upon disease, the difference by way of compensation as between entitlement to "pension" or an "allowance", is often determined only by the "accident" of entries on the soldier's service medical record or his ability to produce evidence of medical treatment either during service or over the early post discharge period. The creation of the War Veterans' Allowance provisions pre-supposed pre-aging or disablement consequent upon non-proven "war" disabilities, although beneficiaries qualify regardless of cause of disablement.

On September 2, 1939, Order in Council P.C. 2491 was passed, conferring all the benefits of the Canadian Pension Act upon all members of the Canadian Active Service Forces enlisted for service in the "War with the German Reich". The terms of this Order in Council conferred the benefits of the insurance principle upon all members of the forces, regardless of their field of service. On May 21, 1940, further Order in Council P.C. 1971 was passed, rescinding the regulations made by Order in Council P.C. 2491 aforementioned, and conferring the benefits of the insurance principle only upon those who served in a theatre of war, or outside Canada. (England was not considered a theatre of war for pension purposes during the Great War, except in special circumstances, where wounds or injuries were incurred as a direct act of the enemy, such as by bombs, etc.) The effect of the terms of P.C. 1971 is that those members of the forces serving in the "War with the German Reich" who have service in Canada only must prove any disease or disability incurred or aggravated during that service to have "direct causation" in such service, whereas those serving outside Canada will be entitled to the benefits of the insurance principle.

The foregoing covers the basic principles governing the interpretation and administration of our pension laws. The evolution from the "direct causation" to the "insurance" principle is interesting. It has been seen that in 1907 only four classes or degrees of pension were provided for, the first and most important of which was restricted to cases where full disability resulted from "wounds incurred during service," and to qualify for the other three degrees of pension for disability from illness or disease, it must have been proven that the disability was "contracted during service"; and proof of *direct* causation in service was required.

Great changes have been wrought by extension of the "insurance principle." As early as June 23, 1917, an elaborate "table of disabilities, for the guidance of physicians and surgeons making medical examinations for pension purposes" was compiled and issued by the Board of Pension Commissioners of Canada. This table was compiled by a Board of outstanding medical doctors. The measurement or scale of assessing disabilities is based on the average person's ability to earn in the common labour market. A further extension or phase of the insurance principle is reflected in certain special provisions. Section 24 (3) is here quoted to illustrate the special provisions governing disability from tuberculosis:—

24. (3) Pensions for disability resulting from pulmonary tuberculosis, when during the treatment of a member of the forces the presence of tubercle bacilli has been discovered in the sputum or it has been proved that the disease is moderately advanced and clinically active, shall be awarded and continued as follows:—

- (a) In the case of a member of the forces who served in a theatre of actual war and whose disease was attributable to or was incurred or was aggravated during military service, and in the case of a member of the forces who did not serve in a theatre of actual war whose disease was incurred during military service during the war, a pension of one hundred per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;
- (b) In the case of a member of the forces who did not serve in a theatre of actual war whose disease was aggravated during military service during the war, a pension of ninety per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;

Provided that after the expiry of two years no pension awarded in respect of pulmonary tuberculosis shall be reduced by more than



twenty per cent at any one time, nor shall such reduction be made at intervals of less than six months; and that the provisions of paragraph (b) of this subsection shall not apply if the disease manifested itself within a period of three months after enlistment.

(4) No deduction shall be made from the pension of any member of the forces owing to his having undertaken work or perfected himself in some form of industry. 1919, c. 43, s. 25; 1925, c. 49, s. 5.

Furthermore, a pension regulation prohibits the reduction of pension below 50 per cent in cases which have been shown "moderately advanced, clinically active with a positive sputum."

In January, 1938, a regulation was passed providing annual increase in war injury cases, so "that when pensioners who are in receipt of pension at the rates of 50 per cent, 60 per cent or 70 per cent in respect of an amputation or gunshot wounds, reach the age of fifty-five years, an additional ten per cent shall be added to their assessment. Additional increases of ten per cent, where indicated, will be added when the ages of fifty-seven and fifty-nine are reached, until the assessment for amputation or gunshot wounds in each class of case becomes 80 per cent."

Whereas we find that only four degrees of disability pension were paid prior to the Great War, and six degrees in June, 1916 (P.C. 1334), the present Act makes provision for twenty-one classes or degrees, extending from Class 1 (total) 100 per cent, to Class 20, 5 per cent. Class 21 makes provision for pension gratuity of not more than \$100 in cases where the pensionable assessment is less than 5 per cent.

### *Rates of Pension*

From 1907 until the outbreak of the Great War the rate payable for total disability for single man was \$150 per annum. In April 1915 the rate was increased to \$264 per annum. The Parliamentary Committee appointed to consider pensions in 1916, recommended a higher scale for members of the Canadian Naval and Expeditionary Forces but left the scale for the Permanent Force and other units in Canada at the old figure, namely, \$264 for total disability. The new rate for total disability was fixed at \$480. In this way those who had enlisted for overseas service in the C.E.F. were pensionable at one rate and those who belonged to the permanent force at a lower rate. In October, 1917, the rates for members of the C.E.F. were again increased, the amount payable for total disability being made \$600. The rates payable for those serving in Canada were not changed. The Governor in Council decided that after June 22, 1918, the Pension Regulations applicable to the C.E.F. should also be made applicable to all other military forces on pay in Canada after that date. In fact all members of Canadian Forces on pay in Canada were then made members of the C.E.F.

During the Great War and until June, 1916, pension appears to have been paid to widows at the same rate as that paid to soldiers for 100 per cent disability pension. However, in June, 1916, the annual pension for a widow was fixed at \$384. In October, 1917, this amount was raised to \$480, and in June, 1919, the amount was raised as follows: \$720 per annum to an unmarried soldier for total disablement, and \$576 annually for a widow. In 1920 the amount was raised to the present rate, namely, \$900 and \$720 respectively, for unmarried soldiers and widows.

(See page 13 (a) for present scale, immediately following.)

It will be noted that whereas the present rate is the same for all ranks below and including Sub-Lieutenant (Naval) and Lieutenant (Military) the rates in 1907 varied considerably as between a Lieutenant and a Private. Schedule "A" on pages 34 and 35 of the Pension Act shows a complete scale of disability pension rates for all ranks, and Schedule "B" on page 35 gives a complete scale or rate of pension for widows of all ranks.



## Widows

From the beginning pension entitlement for widows has been contingent upon the nature of decision respecting service attributability of the condition resulting in the death of the husband and soldier. Prior to the Great War it must first have been proven that the death of the husband was *directly* caused by his military service before the widow became eligible.

Pensions were authorized respecting "widows and children of officers and men who had been killed in action or who had died from injuries received, or illness contracted on active service, during drill or training or other duty" from the beginning of the Great War until October 22nd, 1917, when the passage of P.C. 2999 required that pension be paid to the widow on the basis aforementioned "provided she was married to the member of the forces at the time disability was received, contracted or aggravated while on active service." These conditions remained in force until the passage of the original Pension Act in July, 1919, Section 33, Clause 1, of which reads as follows:—

No pension shall be paid to the widow of a member of the forces *unless she was married to him before the appearance of the disability* which resulted in his death, and in the case of the widow of a pensioner, unless she was living with him or was maintained by him or was, in the opinion of the Commission, entitled to be maintained by him at the time of his death and for a reasonable time previously thereto.

Clause (3) of the same Section made provision for common law wives on the same basis, where dependence could be established, and Clause (5) states:—

The Commission may, in its discretion, refuse to award a pension to a widow of a member of the forces who, at the time he became a member of the forces and for a reasonable time previously thereto, was separated from him and was not being maintained by him during such time.

The conditions of the two latter clauses remain the same to this day. However, the additional qualifying basis respecting entitlement for widows (after the requirements of Section 11 had been satisfied) changed from time to time and were the subject of much controversy between 1919 and 1930, particularly before the Ralston Commission of 1922-3, and Parliamentary Committees of 1928 and 1930. That part of Section 33 (1) reading "No pension shall be paid to the widow of a member of the forces *unless she was married to him before the appearance of the disability which resulted in his death*" gave rise to much vexation, as it had the effect of precluding an award in practically all cases where the marriage took place subsequent to the soldiers' military discharge. (Under the Revision of the Statutes in 1927 the number of Section 33 was changed to 32, although there was no change in the wording).

It was urged that the terms of Section 33 (1) penalized widows, many of whom married their pre-war fiancés in good faith subsequent to discharge. It was alleged that neither they nor their husbands were aware, at the time of marriage, of potential disabilities which may have originated in the soldier during or as a result of his war service. So that in an attempt to ameliorate the situation, Section 32 (1) was repealed by the enactment of June 11th, 1928. Chapter 38, and the following substituted therefor:—

No pension shall be paid to the widow of a pensioner unless she was living with him or was maintained by him or was, in the opinion of the Commission, entitled to be maintained by him at the time of his death and for a reasonable time previously thereto.



(1) No pension shall be paid to the widow of a member of the forces unless she was married to him before the appearance of the injury or disease which resulted in his death,—

(a) unless the injury in respect of which he was pensioned or entitled to pension would not shorten his expectancy of life;

or

(b) unless he was not chronically ill of a pensionable disease and not in receipt of pension in respect thereof.

It was felt that paragraphs (a) and (b) of Section 32 (1) immediately aforementioned would relieve the situation, but experience showed the impossibility of deciding with any degree of accuracy whether the condition in respect of which the member of the forces was pensioned or entitled to pension would or would not shorten his expectancy of life or whether a member of the forces could or could not be considered "chronically ill of a pensionable disease" at the time of marriage.

Finally, by the enactment of Chapter 35 of May 30, 1930, Section 32 (1) was amended abolishing paragraphs (a) and (b) aforementioned, and substituting an entirely new section known as 32A, reading as follows:—

(1) The widow of a member of the forces whose death results from an injury or disease or aggravation thereof which was attributable to or was incurred during his military service shall be entitled to pension if she was married to such member of the forces either before he was granted a pension in respect of such injury or disease, or before the first day of January, 1930.

(2) Nothing in this section shall be deemed to authorize the payment of any pension in respect of any period prior to the first day of January, 1930.

The conditions of this section continue to this day, excepting that 32 A(a) was amended in 1936 restricting the amount of retroactive payments of pension to a maximum of eighteen months.

This amendment resulted in the immediate pensioning of over eight hundred widows. An amendment was also introduced in 1933, providing that no pension shall be paid to the wife of a disability pensioner in cases where the marriage took place after the first day of May, 1933 (except in those cases where a common law union can be established prior to May 1, 1933, and a subsequent marriage was entered into to legalize this union). Generally speaking, therefore, to prove entitlement to pension, the widow must presently show that she was married prior to January 1, 1930; that her late husband was either in receipt of fifty per cent or more pension at the time of death, or that the condition resulting in his death was attributable to his military service.

In those cases where the marriage took place subsequent to January 1, 1930, and the soldier was not in receipt of pension at the time of marriage, pension may be paid where the condition resulting in death is proven to be of service origin.

It must be realized that in no case does the man's pension continue after his death. The widow, if she is entitled by reason of her husband having been a pensioner at the rate of 50 per cent or over, or having died of a pensionable disability, is awarded a pension in her own right.

#### *Children*

Prior to 1915 no pension was paid respecting children other than orphans.

Whilst P.C. 1712 of July 21, 1915, made provision for pensioning widows and children of naval ratings, no allowance appears to have been made prior to 1916 for the children of army officers or men (other than orphans). In 1916,

during the Great War, however, a special allowance of \$6 per month was made for each child, boys up to sixteen and girls seventeen years of age of pensioners in receipt of 60 per cent or more.

The 1919 Pension Act however, provided pension for children of all disability pensioners during lifetime and following death (in cases where entitlement has been established within the meaning of Section 11) for boys up to sixteen years, and girls seventeen years of age. The Act has always provided, however, that the Commission may extend the age limit to 21 years in extraordinary circumstances to facilitate education. Only in extraordinary circumstances is pension provided for children beyond twenty-one years. Section 22 (1) (a), however, makes this provision when,

such child is unable owing to physical or mental infirmity to provide for its own maintenance, in which case the pension may be paid while such child is incapacitated by physical or mental infirmity from earning a livelihood: Provided that no pension shall be awarded unless such infirmity occurred before the child attained the age of twenty-one years.

No pension is paid respecting a child after its marriage.

Section 23 (5) of the original Pension Act made special provision for the children of a pensioner who at the time of his death was in receipt of pension at the rate of eighty per cent or more:—

As if he had died on service whether his death was attributable to his service or not, provided that the death occurs within five years after the date of retirement or discharge or the date of commencement of pension.

The Enactment of June 27, 1925, amended this section, conferring the benefit of the provision "for a period of ten years after the date of retirement or discharge of the soldier or the date of commencement of pension".

The Enactment of June 11, 1928, changed the number of this section from 23 (5) to 22 (7) as at present, and abolished the ten year limit, thus conferring the benefits upon children of deceased pensioners who were in receipt of eighty per cent or more pension at the time of death "as if he had died on service, whether his death was attributable to his service or not".

The amendments of May 23, 1933, introduced Section 77, prohibiting any award of pension in respect of any child (of a member of the forces or a pensioner) born on or after the first day of May, 1933.

### *Other Dependents*

As in all other classes, pension for dependents other than widows and children is, of course, contingent first upon the establishment of entitlement respecting disability or death within the meaning of Section 11.

Prior to the Great War no provision appears to have been made for dependents other than widows and orphans. Provision was, however, made during the Great War for the payment of pension following death of a soldier to parent, or person in the place of a parent, who was either dependent upon the soldier at the time of death or who, upon falling into a dependent condition, can establish that such member of the forces "would have wholly or to a substantial extent maintained such parent or person had he not died".

The same provision was made for dependent brother or sister of a member of the forces who had died, when such member of the forces left no child, widow, or divorced wife. Pension to brother or sister, however, may be paid only when it has been established that such brother or sister is in a dependent condition and was at the time of the death of the soldier wholly or to a substantial extent maintained by him. Pension provision for dependents as outlined were contained in the original Enactment of 1919 and have continued from

that time to the present. Provision has also been made for the payment of additional pension on behalf of parents where dependency upon disability pensioner can be established. (Section 30 (3) and (4)).

The Act defines "dependent condition" as "the condition of being without earnings or income sufficient to provide maintenance." Special consideration has, however, been given to widowed mothers. Whereas Section 33 (5) directs that:—

"The pension to any parent or person in the place of a parent shall be subject to review from time to time and shall be continued, increased, decreased or discontinued in accordance with the amount deemed necessary by the Commission to provide a maintenance, etc."

Clause (7) of the same Section directs that:—

"The pension to a widowed mother shall not be reduced on account of her earnings from personal employment or on account of her having free lodgings or so long as she resides in Canada on account of her having an income from other sources which does not exceed two hundred and forty dollars per annum."

### General

Whilst the foregoing deals briefly with the actual history of legislation governing the qualifications or requirements upon which pension or compensation may be granted, the procedure governing both the method of adjudicating or award, as well as the manner of preparation and presentation of claims, may be of interest.

In 1916 the Board of Pension Commissioners, comprising three members, was authorized. This Board functioned part time only until 1917, when, as previously intimated, the members were required to devote the whole of their time to their duties. This Board was vested with sole authority in determining pension entitlement and the administration of the terms of the Pension Act generally, until 1923, when, consequent upon the findings of the Ralston Commission, a body known as the Federal Appeal Board, which functioned from 1923 until 1930, was empowered to hear, and did hear, appeals from decisions of the Board of Pension Commissioners. The Federal Appeal Board (three members) held sittings for this purpose at large centres throughout the Dominion. Their jurisdiction was confined strictly to matters of pension entitlement respecting disability and death. The Board had no power to alter the degree of disability pension. Appeals were dealt with on "the evidence and record upon which the Board of Pension Commissioners made its decision". The Federal Appeal Board was not allowed to hear new evidence, although the applicant, with his lawyer or adviser, was allowed personally to present his case to the Board locally.

In 1930 the Federal Appeal Board was abolished (see Chapter 35, May 30, 1930) and in its place was created a body known as the Pension Tribunal. This Tribunal (three members) also held hearings throughout Canada in a manner similar to the Federal Appeal Board. The Tribunal, however, was authorized to deal with cases *de novo*. They were empowered to accept new evidence and hear witnesses. The 1930 amendments, which created the Pension Tribunal, also provided for the establishment of a branch of the department known as the Veterans' Bureau, headed in each district by an official known as the District Pensions Advocate, with Head Office at Ottawa, the whole administered by an official known as the Chief Pensions Advocate. The sole function of the Veterans' Bureau, which is still in operation, has been the preparation and presentation of claims on behalf of applicants. The 1930 amendments also provided for Commission Counsel, and at each Tribunal hearing the case was presented on behalf of the applicant by the Pensions Advocate, whilst Commission Counsel conducted the case on behalf of the Crown. The 1930 amendments also provided for an appeal body in Ottawa, known as the



Pension Appeal Court. This body heard appeals from decisions of the Pension Tribunal, entered either by the applicant or the Crown. Appeals were dealt with on the record before the Tribunal and decision of the Pension Appeal Court was final.

In 1933 the Pension Tribunal and Crown Counsel were abolished by statutory amendment (see Chapter 45, May 23, 1933). In place of the Pension Tribunal was created a system of local hearings by a Quorum comprising two members of the Canadian Pension Commission (the 1933 amendments also changed the name of Board of Pension Commissioners to Canadian Pension Commission). Although the Quorum had practically the same jurisdiction as the Tribunal, hearings were less formal. Whilst the case on behalf of the applicant was still presented by a Pensions Advocate, and the Quorum was empowered to accept new evidence, hear medical or other witnesses, Crown Counsel was no longer present at hearings.

Chapter 32 of the Statutes of 1939 abolished both the Pension Appeal Court in Ottawa and the Quorum. These amendments provided for the creation of an Appeal Board comprising three members of the Canadian Pension Commission, empowered to conduct hearings throughout the country in a manner similar to those conducted by the Quorum, accepting new evidence both documentary and verbal. Appeal Board decisions are final.

Whereas prior to the 1936 amendments to the Pension Act an applicant could make claim to pension *ad infinitum* as often and for as many conditions as he wished, these amendments have brought about a degree of finality in the following manner:—

Since 1936 the applicant's initial claim is made the subject of ruling by the Canadian Pension Commission in Ottawa upon documentary evidence. This is known as First Hearing decision. The applicant is then immediately advised both as to the nature of decision and the provisions of the statute governing further procedure. If the applicant notifies the Commission within ninety days that he desires to proceed further, it becomes mandatory that the Veterans' Bureau supply him with a complete summary of all the evidence (including his service history and medical record). The applicant is then allowed six months from the date of the mailing of the summary in which to complete his evidence (and this time may be extended upon request), before submitting his case for Second Hearing decision by the Canadian Pension Commission in Ottawa. With the summary is also forwarded, for completion and signature by the applicant, a special form upon which he is required to state any additional conditions for which he may base claim to pension, and it is expressly pointed out that upon Second Hearing decision by the Commission, no additional claim may be made for any condition whatsoever, except by special ruling of the Commission granting "leave." Second Hearing decision is also given by the Commission upon documentation in Ottawa, which, of course, includes not only the summary of evidence prepared by the District Pensions Advocate, but also any additional evidence which may have been forthcoming. If the Commission has again been unable to grant, the applicant may then, upon request within ninety days from the date of receiving Second Hearing decision, proceed with formal hearing of his claim before an Appeal Board of the Commission locally, at which he may produce not only new evidence, but witnesses, medical or otherwise. Appeal Board decisions are final, subject to the provisions of Section 58 (4) providing "leave to reopen." The procedure, consequent upon the 1936 amendments outlined above, has brought about a reasonably satisfactory state of finality.

The war with the German Reich has revealed such changes in the method of prosecution of war as to make it necessary to provide, in certain circumstances, for civilians. An illustration of this is shown in Order in Council P.C. 3359, November 10, 1939, making "provision for payment of pensions to such persons employed in ships of Canadian registry or licence, and such Canadian salt-water fishermen as in the pursuit of their callings suffer disability or death as a result of any warlike actions or counter actions taken against the same."

## APPENDIX "B"

THE INTERDEPARTMENTAL COMMITTEE ON  
VETERANS AFFAIRS

The Chairman,  
Special Committee on Veterans Affairs,  
House of Commons,  
Ottawa.

Pursuant to a recommendation contained in the final report to the House of Commons of the Special Committee on Veterans Affairs, 1945 session, an Interdepartmental Committee on Veterans Affairs was appointed by the Honourable the Minister of Veterans Affairs on January 11th, 1946, to study certain submissions made to the 1945 Special Committee and, as a fact-finding body, to report thereon to your Committee. The Interdepartmental Committee was composed of Mr. F. L. Barrow, of the Department of Veterans Affairs, Chairman, Colonel A. L. Tosland of the Department of National Defence and Mr. E. B. Armstrong of the Department of Finance. The Interdepartmental Committee was very fortunate in having the able assistance of Mr. A. L. Burgess as its secretary.

The Interdepartmental Committee has studied representations and obtained data on the following subjects:—

1. Corps of (Civilian) Canadian Fire Fighters for Service in the United Kingdom.
2. Auxiliary Services Supervisors with service overseas and Overseas Headquarters Staff.
3. V. A. D.'s
4. (a) Canadian Red Cross and St. John Ambulance Brigade personnel other than V. A. D.'s.
4. (b) Orthopaedic Nurses selected by the Canadian Red Cross Society at the request of the Scottish Ministry of Health.
5. No. 45 Group, R.A.F., civilian flying personnel.
6. (a) Instructors in Elementary Flying Training Schools under B.C.A.T.P.
6. (b) Instructors in Air Observer Schools.
7. (a) Merchant Seamen.
7. (b) Civilian Crews of Government Vessels and of Cable Ships.
7. (c) Halifax Pilots.
8. Canadian Women in W.R.N.S.
9. (a) Civil Service Preference.
9. (b) Re-employment in Civil Service.
10. Veterans' Bureau—Status of Commission.
11. Misconduct.
12. Soldier Settlement Act—Grant of Clear Titles.
13. Business and Professional Loans.
14. Army Benevolent Fund.
15. Gallantry Awards—World War I.

Fifteen formal meetings have been held and seventeen witnesses examined. In addition the members and secretary of the Committee held numerous informal conferences in their quest for information and with one another.

Reports dealing with all matters referred to the Committee are appended hereto.

All of which is respectfully submitted.

F. L. BARROW,  
*Chairman*

A. L. TOSLAND, Col.,  
*Member*

E. B. ARMSTRONG,  
*Member*

OTTAWA, March 20, 1946.  
P.R. 18037.

### *Section 1*

#### CORPS OF (CIVILIAN) CANADIAN FIRE FIGHTERS FOR SERVICE IN THE UNITED KINGDOM

The Interdepartmental Committee on Veterans Affairs examined the brief submitted by the Corps of Canadian Fire Fighters and representations by the Honourable the Premier of Alberta and by the Alberta Provincial Association of Fire Fighters. The Corps of Canadian Fire Fighters is an organization of 405 members who served overseas with the Corps of (Civilian) Canadian Fire Fighters for Service in the United Kingdom. A delegation from that body was heard.

The representations of the Corps urge that they be deemed to be members of the armed forces for the purpose of participation in all post-discharge benefits, income tax exemption, medals, and consideration by the Dependents' Board of Trustees. They argue that they endured the hazards of active service and were at times, by reason of the call of duty, unable to seek cover from enemy attack, that they were separated from their homes and business connections and in 65% of the cases from their normal occupation, and that they should be regarded as having borne arms by reason of their anti-incendiary equipment.

The Committee also had regard to the regulations established by Order in Council P.C. 76/1656 of March 3rd, 1942, which set forth the organization of the Corps, provisions as to suspension, conditions of service (from which it is noted that the rates of pay ranged upwards from \$1.30 per day), provision of clothing and equipment, the rules of procedure and the code of offences against discipline. The Committee found that generally the scope of discipline and punishment was less severe than would be applicable to the armed services as is evidenced by the fact that the maximum penalty which could be awarded to the fire fighters is dismissal, whereas a member of the armed forces could be awarded penal servitude, imprisonment with or without hard labour, discharge with ignominy (with all it involves), detention or (if an officer) be cashiered.

Of a total enrolment of 422 members of the Corps established by Order in Council P.C. 76/1656 of March 3, 1942, 408 proceeded overseas, with an average length of service of approximately 2 years 9 months; 3 were killed overseas, 5 were wounded and 3 seriously injured. Of the 14 members who did not proceed overseas, 3 remained on duty at Headquarters at Ottawa for a considerable time. Of the total membership, 148 (35%) were former members of paid fire departments, 113 of volunteer fire departments, 12 of auxiliary fire services and 149 had no previous fire fighting experience. At December 31,



1945, 18 former members of the Corps were receiving pension for disability and 3 pensions were being paid in respect of death.

The occupation of 257 members of the Corps in 1942 who were not professional fire fighters showed the largest groups to be: clerks 33, salesmen 28, truckers 27. There were 7 university students and the other occupations ranged from accountants to welders.

The Corps had 4 detachments stationed at Bristol, Plymouth, Southampton and Portsmouth with Headquarters in London. While the members of the Corps volunteered in the first instance only for service in Canada and the United Kingdom, certain members who reached the United Kingdom volunteered further for service anywhere in the world and received special training with a view to proceeding to the Continent with the Invasion Forces.

The present status of members of the Corps in relation to benefits available to members of the forces may be summarized as follows:—

(a) Benefits equivalent to those available to the Armed Services which are available to former members of the Corps:—

1. Clothing allowance of \$100 on discharge (authority P.C. 76/1656, March 3, 1942);
2. Transportation home on discharge with travelling expenses (authority P.C. 176/1656, March 3, 1942);
3. Rights under The Reinstatement in civil Employment Act, 1942 (Section 2 (a) (iii) of the Act);
4. Transportation with travelling expenses to the home of the member of the Corps of wife and child (including adopted child or step-child) when marriage to such member took place during his service outside Canada (authority P.C. 105/8367, October 31, 1934);
5. Pension for death or disability on "insurance principle" while overseas; on "arising-out of 'principle'" if not overseas. Pension paid at approximately service rates (authority P.C. 100/2757 of April 11, 1942);
6. Medical treatment with allowances for pensionable disability only (authority P.C. 4465, June 13, 1944);

(b) Benefits which are available only to former members of the Corps who served overseas:—

7. Rehabilitation grant of thirty days' pay and allowances if member had service of at least 183 days overseas (authority P.C. 3229 of May 3, 1945).  
With the exception of the overseas service requirement, this benefit is equivalent to similar benefit for the armed forces;
8. Rights under The Veterans Insurance Act (authority P.C. 3229 of May 3, 1945).  
With the exception of the overseas service requirement, this benefit is equivalent to similar benefit for the armed forces;
9. Gratuity (War Service Gratuity) (authority P.C. 3229 of May 3, 1945). Same as basic gratuity, only, for armed services and only for overseas service, i.e., \$15, for every thirty days of "service" as defined in the Order in Council. Neither gratuity for service in Canada nor supplementary gratuity for service overseas is payable.

(c) Benefits which are available only to former members of the Corps who served overseas and who are in receipt of disability pension:

10. Rights under The Veterans' Land Act (authority P.C. 3229 of May 3, 1945).

With the exception of the pension requirement in overseas cases, this benefit is equivalent to similar benefit for the armed forces;

11. Vocational and Technical Training with allowances (authority P.C. 3229 of May 3, 1945).

With the exception of the overseas service and pension requirements, this benefit is equivalent to similar benefit for the armed forces;

- (d) Benefits which are not available to any former members of the Corps:
  12. Base gratuity for service in Canada and supplementary gratuity for service overseas (See item 9);
  13. Re-establishment Credit;
  14. Unemployment Insurance credit for period of service;
  15. Out-of-Work Allowance;
  16. Temporarily Incapacitated Allowance;
  17. Awaiting Returns from a Business Allowance;
  18. University Training Allowance;
  19. Preference in Employment;
  20. Veteran Preference for Employment in Civil Service;
  21. War Veterans' Allowance and Dual Service Pension;
  22. Dependents' Board of Trustees grants for which a member of the Corps would have been eligible had he been a member of the forces;
  23. Exemption from Income Tax;
  24. Award of the Canadian Volunteer Service Medal, Defence of Britain Medal and Memorial Cross. The Corps argues that other ancillary or uniformed civilian services, or their dependents, are privileged to wear these medals.

The Corps urges that all the benefits, without limitation, be made available to all former members of the Corps.

### *Section 2*

#### AUXILIARY SERVICES SUPERVISORS WITH SERVICE OVERSEAS AND OVERSEAS HEADQUARTERS STAFF

The Interdepartmental Committee on Veterans Affairs examined the brief and evidence presented to the Special Committee of the House of Commons on Veterans Affairs on October 25, 1945, on behalf of these groups by officers of the four organizations from which the groups were drawn, namely: Canadian Legion War Services Inc., Knights of Columbus, Salvation Army, Young Men's Christian Association; also letters dated January 31, 1946, from the Chief Pensions Officer, Canadian Legion, and February 8th, from Secretary, K. of C. Army Huts.

The Committee had regard to the provisions of P.C. 44/1555 of March 8, 1944, which cancelled a series of previous Orders in Council dated from April, 1940. The Order in Council defines a "Supervisor" as an authorized field representative of one of the organizations mentioned who directly provides services and recreational equipment to the forces. "Overseas Headquarters Staff" is defined as the Headquarters Staff of one of the organizations mentioned, employed and paid by such Organization, and not included in the term "supervisor".

#### *A. Supervisors*

P.C. 44/1555 provided that supervisors serving with the Navy, Army and Air Force shall be deemed while so serving to be members of the force with which they served for all purposes except engaging in combat with the enemy, shall be subject to Naval, Military or Air Force Law in all respects as though they were

officers holding the rank of Lieutenant (Navy), Captain (Army), or Flight Lieutenant (Non-Flying List), and shall be entitled to the pay and allowances, pensions and all other benefits (except income tax benefits) pertaining to such rank as from the date on which the supervisor embarked for service outside Canada.

The following statistics are provided :—

Total enrolment .....	585
Average period overseas,.....	27 months
Pensions for disability (December 31, 1945).....	6
Pensions in respect of death, (December 31, 1945) .....	3

#### *Age Ranges*

Canadian Legion .....	22-48
Knights of Columbus, .....	(Average) 34
Salvation Army .....	24-45
Y.M.C.A., .....	24-52 (Average 32)

#### *Casualties : (died or required treatment)*

Canadian Legion, .....	16
Knights of Columbus, .....	16
Salvation Army, .....	17
Y.M.C.A., .....	23
Total, .....	72

The representations on behalf of Auxiliary Services' Supervisors point to the recognition by the Government of the necessity for the provision of welfare services to the forces as indicated by the establishment of a Directorate of Auxiliary Services to co-ordinate the activities of the organizations hereinbefore mentioned. The representations stress that the need of the services of this personnel was amply demonstrated as a means of preserving the morale of the Army during the years spent in England. Later the supervisors accompanied the forces and performed their duties under strictly service conditions.

The representations explained that the military authorities were not willing to confer military rank on the supervisors unless the supervisors passed entirely under military control and direction. The organizations could not agree to this, feeling that such a move would hamper the rendering of the services for which the supervisors were intended and, moreover, that the organizations would not be free to assign duties to the supervisors nor to transfer them as desired nor to recall them if their services were not satisfactory to their own Organization. Both Great Britain and the United States, on the other hand, organized this Service on purely military lines.

The representations argue that, while P.C. 44/1555 deemed the supervisors to be members of the forces, a subsequent Order in Council, P.C. 3228, attributed to them a status as civilians which they no longer possessed.

The representations urge that the Auxiliary Services Supervisors are all volunteers, that they ignored the opportunity for comfortable civilian employment and cheerfully accepted the hardships of military service and that they will face the same problems of rehabilitation as will the men with whom they served.

As the law stands at present, former supervisors receive on the same basis as veterans, clothing allowance on discharge; rehabilitation grant; transportation home for self and family; Dependents' Board of Trustees grant; campaign medals; rights under The Reinstatement in Civil Employment Act, 1942, and The Veterans Insurance Act; and pension for death or disability.

They also receive medical treatment with allowances for pensionable disability only; gratuity (basic War Service Gratuity) while overseas and after



return to Canada and, provided they are pensioners, vocational and technical training benefits and rights under The Veterans' Land Act, 1942; exemption from income tax of one-fifth of their pay and of all subsistence allowances.

The representations urge that supervisors be granted eligibility for the following benefits as for veterans:—

1. Treatment for non-pensionable disability;
2. Supplementary gratuity of seven days' pay and allowances for each six months overseas;
3. Re-establishment Credit;
4. Full benefits under The Veterans' Rehabilitation Act;
5. Benefits under The Veterans' Land Act, 1942;
6. Preference in employment;
7. Veteran preference for employment in Civil Service;
8. War Veterans' Allowance and Dual Service Pension;
9. Remission of income tax.

The representations further urge that special provision be made in respect of personnel of the armed forces who were discharged overseas for the purpose of undertaking duties as supervisors whereby the benefits under The Veterans' Rehabilitation Act and by way of Class 2 and Class 3 treatment would be made available to them. Individual cases were cited in which these benefits have been denied. Some of these benefits depend upon the length of service and the date of discharge from the Service. One suggested solution would deem Supervisor Service to be service with the armed forces in these particular cases; another suggestion recommends that the period of eligibility for the benefit commence on termination of service as a supervisor.

#### *B. Overseas Headquarters Staff*

These personnel were employed and paid by the Organization and are not included in the term "supervisor". They have civilian status. They are entitled to pension for injury or death suffered as a result of enemy action or counter-action at the rate for Lieutenant (Army) unless the duties and responsibilities are held to be comparable with those of an officer of higher rank, in which case pension is payable at the rate for Captain (Army). Treatment may be given for the pensionable disability.

The representations urge that, like any branch of the Service, personnel have to be supervised, directed and supplied by Headquarters Staff; that some must serve in the rear and that Headquarters Staffs are an integral part of the organizations; that the Overseas Headquarters Staff was actually part of the Auxiliary Services and that there should be no distinction between the status of personnel of the Overseas Headquarters Staff and the Supervisors.

# POST-DISCHARGE BENEFITS FIRE FIGHTERS AND MEMBERS OF THE AUXILIARY SERVICES

	Fire Fighters	Supervisors in Auxiliary Services	Headquarters Staff of Auxiliary Services
Clothing Allowance .....	Same as armed services	Same as armed services	None
Transportation on discharge to place of engagement .....	Same as armed services	Same as armed services	None
Rehabilitation Grant .....	To members who served overseas	To members who served overseas	None
Reinstatement in Civil Employment ..	Same as armed services	Same as armed services	None
Free transportation to Canada of wife and children .....	Same as armed services	Same as armed services	None
Pension .....	Same as armed services	Same as armed services	None
Medical Treatment: (a) conditions related to service .... (b) conditions not related to service ..	Same as armed services	Same as armed services	For injury or death resulting from enemy action
Veterans' Insurance .....	None	Same as armed services	For pensionable disability
Veterans' Land Act .....	To members who served overseas	None	None
Unemployment Insurance (credit) .....	To disability pensioners	To members who served overseas	None
Vocational and Technical Training ....	None	To disability pensioners	None
University Training (including post-graduate) .....	To disability pensioners	To disability pensioners	None
War Service Gratuity .....	None	None	None
	\$15 for each 30 days' service overseas	\$15 for each 30 days' service overseas	None
Re-establishment Credit .....	None	None	None
Out-of-Work Benefit .....	None	None	None
Temporarily Incapacitated .....	None	None	None
Awaiting Returns .....	None	None	None
Civil Service Preference .....	None	None	None
War Veterans' Allowance .....	None	None	None
Decorations .....	None	Same as for armed services	None
Exemptions from Income Tax .....	None	*20 per cent of pay and allowances exempt.	None
Assistance from Dependents' Board of Trustees .....	*None	Same as for armed services	None

\* Claim is made for retroactive exemption and benefit.

*Section 3.*

## V.A.D.'s

The V.A.D.'s herein considered are those persons who were drawn from the ranks of the Nursing Auxiliary, Canadian Red Cross Corps, or the Nursing Divisions of the St. John Ambulance Brigade who, after completing a period of probation with the Royal Canadian Army Medical Corps, were appointed V.A.D.'s under the provisions of Order in Council P.C. 49/3546 of April 30, 1942. The R.C.N. and R.C.A.F. did not enroll any V.A.D.'s.

The Interdepartmental Committee on Veterans Affairs examined representations by the Canadian Red Cross Society, by individual V.A.D.'s and by Major General G. R. Pearkes, V.C., M.P. V.A.D.'s were enlisted to serve anywhere. They were entitled to rations and quarters, or subsistence allowance, to an outfit allowance and, generally, to all privileges accorded an officer in the R.C.A.M.C. While in Canada they were granted an allowance of \$20 a month to cover incidental expenses but outside Canada they would have received pay at a rate authorized from time to time by the Minister but not exceeding \$3 a day.

None of these personnel proceeded overseas under the terms of P.C. 49/3546.

Personnel who served in Canada did not receive army pay, were free to resign at any time during their three months' probation, were usually permitted to serve near their domicile, were permitted to receive Dependents' Allowance without reduction of V.A.D. allowances and were permitted to resign to proceed overseas under the auspices of the St. John Ambulance or Canadian Red Cross Society.

Seventy-five members of the Red Cross and 70 of the St. John Ambulance were attested and the average length of service was somewhat over one year.

The representations argue that the V.A.D.'s chose this duty rather than enlistment in the armed services, that they worked conscientiously in the military hospitals in Canada and that, having received no remuneration other than an allowance for out-of-pocket expenses, they are equally deserving with those who drew adequate pay. The representations suggest that V.A.D.'s serving in Canada, attached to the R.C.A.M.C., should receive all the benefits accruing to the regular members of the forces.

*Section 4 (a)*CANADIAN RED CROSS AND ST. JOHN AMBULANCE BRIGADE PERSONNEL  
OTHER THAN V.A.D.'s

The Interdepartmental Committee on Veterans Affairs examined representations from the Canadian Red Cross Society and from individual members of the Red Cross and St. John Ambulance. Information as to conditions of service was obtained from both organizations.

The personnel herein considered are those members of the Canadian Red Cross Society and St. John Ambulance Brigade who proceeded overseas at the expense of, and were detailed for duty as members of, the Red Cross or St. John Ambulance organizations. They received no remuneration from either the Canadian or British Governments. The organization paid an allowance of \$30 a month to cover incidental expenses. Generally, the organization provided their quarters and rations and paid for medical and dental services when provided in Canadian Military Hospitals. 610 members of the Canadian Red Cross Corps and 220 members of the St. John Ambulance Brigade proceeded overseas as Assistants to Nurses in civilian hospitals in England, Ambulance Drivers, Welfare Workers, Cooks and Miscellaneous. Several of the Ambulance Drivers served in Belgium and France and the Welfare Officers served in the European and Mediterranean theatres.



The terms of engagement varied—some signed on for the duration plus six months, some for a lesser term, and in some cases there was no agreement. At first the personnel were not covered by insurance but about the year 1944 the organizations concerned took out policies for casualty insurance in the amount of \$4,000 per individual.

The Canadian Red Cross Society suggests that their personnel be granted all the benefits accruing to former members of the forces. No representations were received from the St. John Ambulance Association.

#### *Section 4 (b)*

#### ORTHOPAEDIC NURSES SELECTED BY THE CANADIAN RED CROSS SOCIETY AT THE REQUEST OF THE SCOTTISH MINISTRY OF HEALTH

The Interdepartmental Committee on Veterans Affairs examined representations from the Canadian Red Cross Society on behalf of twenty-two highly qualified orthopaedic nurses whose services were secured by the Society at the request of the Scottish Ministry of Health. The nurses went to the United Kingdom with nine orthopaedic surgeons for the purpose of establishing an orthopaedic wing in a large hospital at Hairmyres. The Scottish Ministry of Health paid transportation of the doctors and nurses to and from Scotland and also their salaries. The age range of the nurses was 23 to 45 years and the average length of their service was approximately four years. The nurses underwent a complete medical examination, including an X-ray of the chest, within six months of selection.

The Canadian Red Cross stated that the total salary of a Canadian nurse on general duty for forty-six months with the Orthopaedic Unit was \$2,584.68 with £23 10s. income tax deducted, while a Lieutenant in the Royal Canadian Army Medical Corps Nursing Service for the same period would earn \$6,882.75 with no deduction for income tax.

The National Executive Committee of the Canadian Red Cross refer to the benefits "to Canadian nurses who went to Africa under very similar conditions" and, while the Red Cross assumed no financial responsibility in respect of the orthopaedic group, the Society decided to request officially that the orthopaedic nurses should receive benefits equal to those granted other groups.

The Interdepartmental committee invites attention to the following facts:—

The members of the South African Military Nursing Service were recruited by means of a recruiting campaign carried out with the concurrence of the Department of National Defence; that they were provided with uniforms and wore Canadian insignia and rank badges; and that they served under the South African military authorities.

#### *Section 5*

#### NO. 45 GROUP R.A.F., CIVILIAN FLYING PERSONNEL

The Interdepartmental Committee on Veterans Affairs examined representations and evidence given before the Parliamentary Committee, 1945, by Messrs. J. E. Weaver and J. M. Pierce on behalf of the Canadian Flying Personnel of the R.A.F. "Transport Command", also the representations of eight former Radio Navigators now attending university, and Mr. T. L. Church, M.P. The Committee also heard evidence from Air Commodore J. McL. Murray, Director of Accounts and Finance for the R.C.A.F., Wing Commander J. V. F. Courtemanche, and Mr. J. M. Pierce, of Montreal.

Before proceeding to consider the above group of flying personnel, it should be noted that a number of non-flying personnel on whose behalf Mr.

Morris W. Wilson had made representations were granted CC Commissions by the R.A.F. These officers were acting in an executive capacity and commissions were granted to enable them to deal efficiently with Service personnel under their jurisdiction. The commission is a temporary one in the R.A.F. Reserve, can be terminated on one month's notice and its holder is not recognized by the British Government as a member of the Armed Services. The Justice Department has, however, ruled that, for the purposes of Canadian veteran legislation, holders of these commissions are members of His Majesty's Forces raised outside Canada and, if otherwise qualified under the provisions of the various Acts, are eligible for veteran benefits. There are 57 of this group who were domiciled in Canada on appointment.

As to the flying personnel, the interdepartmental committee was informed by Air Commodore Murray and Wing Commander Courtemanche that Atfero, a British Crown Company, was organized in the summer of 1940 by Mr. Morris W. Wilson, President of the Royal Bank, at the request of Lord Beaverbrook, to fly bombers across the Atlantic. At this time, the Battle of Britain was at its height and no trained R.A.F. or R.C.A.F. personnel could be spared for this work. Employment was on a trip basis and all personnel were recruited from the ranks of professional flyers. Rates of remuneration were high and were not standardized—from \$500 to \$1,000 a trip was commonly paid. In the autumn of 1941, Atfero was taken over by the Ferry Command of the R.A.F. and Air Chief Marshal Sir Frederick Bowhill came to Canada to take command of the group. A number of R.C.A.F. and R.A.F. personnel of all ranks were attached to it, though civilian flyers were retained and continued to be recruited. Their remuneration was, however, standardized on a monthly basis, and, at this time or later, civilian personnel other than observers were required to enter into contracts. In the spring of 1943, the Ferry Command was reorganized as No. 45 Group R.A.F. and it is members of this Group who have made representations on behalf of these Civilian Flying Personnel. No organization called the Transport Command existed in Canada.

A copy of the form of contract was supplied to the interdepartmental committee by Mr. Pierce. The contract made between the Air Ministry of the United Kingdom and the civilian flyer may be terminated on fourteen days' notice by either party but, in the event of inability through illness or otherwise to carry out his duties, the employer may discharge the employee forthwith, without notice, or stop his pay for the period of his incapacity. No provision was made by the British Air Ministry for medical attention of these personnel and the contract specifically stated that the Ministry had no liability or obligation whatever for death or injury.

The representations by the flyers point to the high importance of their work—from the dark days of 1940 when a few civilians were called upon to deliver the first badly needed land based bombers to Britain, pioneering at that time the hazards of the North Atlantic. They state that they flew in many theatres of war, over or near enemy-occupied territory and within range of enemy interceptor aircraft; that they were asked to man guns in aircraft and were given courses in air gunnery; that they were attacked by aircraft and from the ground, and that their over-all rate of casualty was 20 per cent killed, while during the first two years the rate was 35 per cent killed. The total number of Canadian survivors is 269, comprising 44 Captains, 32 1st Officers, 149 Sr. and Jr. Radio Officers, 21 Flight Engineers and 23 Observers. They point to the estimated cost of \$25,000 to train a pilot under the British Commonwealth Air Training Plan to "wing standard", i.e., 250 hours, while the Canadian civilian pilots undertook this employment with an average of 1,500 hours to their credit. The brief mentions that the civilian flyer received his pay and nothing more; he was removed from the payroll immediately upon being reported missing or in case of sickness or by reason of accident sustained in the line of duty. The

only financial protection was that provided by the Quebec Workmen's Compensation Act which provides \$40 a month to a widow and \$10 for a child up to 18 years of age. Many of the men paid \$50 per month (\$75 for Captain) for insurance of \$15,000, Lloyds being the only company which would carry that type of risk. These personnel flew side by side with R.C.A.F. officers and they urge that the importance and danger of their work compared favourably with that of a man on active service in the armed forces overseas and merit recognition.

The following comparison between the monthly salaries of the civilian flyers and the pay and allowances of R.C.A.F. personnel attached to No. 45 Group R.A.F. appears in the brief submitted by the flyers:—

	Salary	Per month Inc. Tax	Insurance	Net Salary
Captain .....	\$1,000 00	\$230 00	\$75 00	\$695 00
First Officer .....	800 00	184 60	50 00	565 40
Sr. Radio Officer.....	600 00	129 50	50 00	420 50
Flt. Engrs. & Jr. R/O's...	450 00	87 60	50 00	312 40
Observers .....	154 12	9 00	....	145 12

#### R.C.A.F. PERSONNEL (MARRIED, ONE CHILD)

	Basic pay Allowances	Wife	Child	Allowances when attached to No. 45 Group	Net Salary
Wing Commander .....	\$360 00	\$62 20	\$13 92	\$120 00	\$556 12
Squadron Leader.....	292 50	57 20	13 92	120 00	483 62
Flight Lieut. ....	255 00	52 20	13 92	120 00	441 12
Flying Officer .....	210 00	47 20	13 92	120 00	391 12
Pilot Officer.....	187 50	47 20	13 92	120 00	368 62

Figures are not available to the interdepartmental committee as to the number of married personnel in this particular group but, in the Air Force as a whole, approximately 40 per cent. are married and 13 per cent. are married with one child.

Air Commodore Murray expressed doubt that the R.C.A.F. ranks as listed were those which would be substituted for the several civilian classifications, but Mr. Pierce believed that Flight Lieutenants and Squadron Leaders performed the duties of Captains and 1st Officers.

It was pointed out to the interdepartmental committee that certain grades of civilian flyers were paid a net salary higher than the net for comparable R.C.A.F. ranks but are denied all the benefits, monetary and otherwise, of the rehabilitation program for veterans of the armed services; that the comparison of salary is based on the assumption that the civilian personnel were "working" full time and not subject to deduction by reason of injury or illness; and that the advantage of higher salary was not by any means enjoyed by all of the civilian personnel and it is of interest to note some of the circumstances of the service of a typical member of the lowest paid group, to which Mr. Pierce belonged.

A boy now twenty-two years of age was pursuing a course of Applied Science at McGill University when he applied for enlistment in the R.C.A.F., in the spring of 1943. He had been a cadet in the University Air Training Corps. He was advised at the recruiting office that a long time would elapse before he would be sent overseas and, when his engineering training was discussed, he was encouraged to apply to the Ferry Command who were urgently in need of men with his qualifications and where he would immediately have an opportunity of flying. He was employed by the Ferry Command, with a salary of \$100 a month, and was given leave in the autumn of 1943 to return to McGill where he continued his course and acted in his spare time as instructor in navigation to the University Air Training Corps. In the spring of 1944 he returned to the Ferry Command, his particular job being Test Flight Observer.



He made fifteen transatlantic trips and, at the end of hostilities, was receiving a salary of \$43.00 a week; a shade under the maximum of \$195.00 a month, plus cost-of-living bonus. Without cost of training to either the Canadian or the British Government, this man performed the duties of Test Flight Observer and Observer, these being:—

- (a) Observer of technical performance,
- (b) Assistant to the Pilot,
- (c) Navigator.

It was pointed out to the interdepartmental committee that all post-discharge benefits, including rights under The Reinstatement in Civil Employment Act, are denied the flying personnel while all benefits accrue to the non-flying personnel of the same Group who received Class CC Commissions. The flyers state:—

Our men, except by a concession on the part of their previous employer, are unable to return to their pre-war position, due to their not being considered veterans;

Some very unfortunate cases of young Radio Officers straight out of Radio College, coming to the Command and, without taking out insurance, losing their lives on their first trip, leaving the wives and families of these men in very bad condition right now;

The majority of these men have excellent secondary school educations and many left university to join the R.A.F.T.C. They are now the most experienced group of men in Canada in long range flying and operation under hazardous weather conditions. Certainly these men with their vast practical experience should be given the opportunity of university training so that their knowledge can be put to the future benefit of Canadian aviation.

#### *Section 6 (a)*

#### INSTRUCTORS IN ELEMENTARY FLYING TRAINING SCHOOLS UNDER B.C.A.T.P.

The Interdepartmental Committee on Veterans Affairs examined a brief dated April 18, 1945, by Mr. D. K. Yorath, Managing Director, High River Flying Training School Limited; also a brief and evidence by The Canadian Legion which generally supported the claims urged by Mr. Yorath. The Interdepartmental Committee also heard Air Commodore J. MacL. Marray, Director of Accounts and Finance, who was accompanied by Wing Commander J. V. F. Courtemanche.

The Elementary Flying Training Schools were made up of civilian flying clubs incorporated as Limited Companies and, in conjunction with the Service Flying Training Schools, formed a part of The British Commonwealth Air Training Plan. Instructors were paid by the schools on a monthly basis within a range determined by the Department of National Defence for Air; and the schools in turn were paid a monthly operating allowance by the Dominion Government.

The instructors in the E.F.T.S's may be divided into two groups:—

1. Civilians with previous flying experience who were enlisted and given a six weeks' Instructor's course at the termination of which they were made acting sergeants and seconded to E.F.T.S's on leave without pay;
2. Graduates of the British Commonwealth Air Training Plan who, on the completion of their course, with rank of sergeant, were selected as "Instructor" material, given a short Instructor's course and seconded to E.F.T.S's on leave without pay.

The first record of a graduate of the B.C.A.T.P. having been seconded to an E.F.T.S. is in the summer of 1941, and in the autumn of 1942 there were 150 such seconded graduates. On December 1, 1942, all members of both groups numbering approximately 1,800, were recalled from leave. At this time, a system of automatic air crew promotion was put into effect and a large number of retroactive promotions were given both to the instructors and to N.C.O. air crew personnel of the R.C.A.F. generally.

Mr. Yorath's representations state that, while there was no compulsion on new graduates to become E.F.T.S. instructors, the need for such instructors, the splendid work and vital necessity of the job they would be doing, was stressed; that after some time many of the instructing personnel strongly desired overseas postings but were told that their job was too important and that they would have to remain in Canada for some time; that these E.F.T.S. instructors, exposed to greater risk than the Service Flying School instructor, laid the foundation stones of the splendid Air Force which developed; that the system of granting leave without pay created an unfair discrimination and, eventually, in many cases the instructors did proceed overseas and acquitted themselves with the same credit as those who had been paid by the Service ever since their enlistment. Mr. Yorath's brief urges that the entire period between enlistment and discharge of these personnel should count as service, whereas at present the period on leave without pay, i.e., prior to December 1, 1942, is disregarded for purposes of computation of post-discharge benefits.

Mr. Yorath quoted the following maximum salaries for the various grades of instructors, for each of which a scale had, in consultation with the Department of National Defence, been standardized for all E.F.T.S. instructors throughout the Dominion:

	<i>Per Annum</i>
Chief Flying Instructor .....	\$ 4,800
Assistant Chief Flying Instructor .....	4,200
Squadron Commander .....	3,900
Flight Commander .....	3,780
Flying Instructor .....	3,600

Instructors on leave paid their room and board if they lived on the station and received no subsistence allowance when away; neither did they receive free medical nor dental care, except first aid, nor reduced railway rates as accorded service personnel.

The Air Force witnesses produced a comparative table showing, on the one hand, the net income after deduction of income tax (other than compulsory savings portion) for Flying Instructors and, on the other hand, the income of R.C.A.F. flying ranks from Sergeant Pilot to W.O. 1. The R.C.A.F. rates were computed by including War Service Gratuity and Re-establishment Credits and due consideration being given to the provision of rations and quarters and other benefits enjoyed by service personnel.

While Mr. Yorath stated that, as a general rule, a Flying Instructor started at a salary of \$2,400, receiving an increase of \$300 per annum each six months and reaching his maximum of \$3,600 after two years of service, it was the observation of the Air Force officers that, from the material which they had been able to examine, the Flying Instructor frequently reached the maximum of \$3,600 in a period of six months. In either event, the Interdepartmental Committee notes that the income of an unmarried instructor who had reached his maximum—even in 1942 with the highest tax before his recall on December 1st—had an advantage of some \$300 over the unmarried W.O. 1 and an advantage of slightly over \$1,000 over the unmarried Sergeant (War Service Gratuity and Re-establishment Credit included).

Mr. Yorath pointed out that in 1940 there was no adequate provision for compensation for injury or death but in 1941 coverage was provided by means of liability insurance or through Provincial Workmen's Compensation Boards. The Air Force witnesses estimated the risk as one fatality, each 46,846 flying hours, with total deaths approximating 40. They stated that the Service had given very careful and sympathetic consideration to the question of counting time served on leave without pay for the purposes of The War Service Grants Act and other legislation and had come to the conclusion that there was no sound basis for a recommendation that such time be so counted.

### *Section 6 (b)*

#### INSTRUCTORS IN AIR OBSERVER SCHOOLS

The Interdepartmental Committee on Veterans Affairs examined representations dated October, 1945, by Mr. A. B. E. Strang and Mr. W. R. May. The Interdepartmental Committee also heard Air Commodore J. MacL. Murray, Director of Accounts and Finance R.C.A.F., who was accompanied by Wing Commander J. V. F. Courtemanche.

The Air Observer Schools were incorporated and supplied with instructors in the same manner as described with respect to Elementary Flying Training Schools with these exceptions:—

- (a) The instructor who had graduated under the B.C.A.T.P. with the rank of Sergeant and given a short Instructor's course was posted to the Air Observer School on one month's probation, at the end of which he could be rejected by the School or himself elect to be returned to service duties; if he remained he was seconded on leave without pay;
- (b) Instructors at A.O.S.'s were not recalled from leave on December 1st, 1942, but remained on their secondment status while they were employed at the Schools.

Mr. Strang's brief makes representations somewhat similar to those of Mr. Yorath, but with the following additional points:

- (a) That students who were considered suitable for this type of work were under constant pressure to volunteer for it and, although many did so, a great number were arbitrarily assigned. The Air Force witnesses denied that men were seconded against their will and pointed out that they were given an opportunity for a month after arrival at the School to refuse to remain;
- (b) That the majority of instructors were young men with no previous gainful occupation and were faced with as great a rehabilitation problem as other members of the R.C.A.F.;
- (c) That instructors were given to understand that they were to receive credit on their service record for the time spent on these duties. In support of this, Mr. Strang quoted a notice posted in Air Force establishments in No. 2 Command as follows:—

With the closing of several of the air force stations in this Command the supply of pilots will become surplus to requirements. It is felt that in view of the fact that so many requests for postings to operational training stations will be received and because of the fact that the available postings are so limited some system of rationing based on qualifications must be instituted.



In this connection good conduct and length of service will be the deciding features. In order that all may share equally it has been decided that time passed at Air Observer Schools on Indefinite Leave will be considered active service and such time will be to the benefit of such A.O.S. pilots desiring operational training posting.

Mr. Strang draws attention further to a reply received after representations made in 1943, seeking relief from income tax, were discussed by the Minister of Finance and the Minister of National Defence for Air, which stated:—

- (a) The rates of pay have been standardized for all pilot personnel, whether seconded from the R.C.A.F. or straight civilian employees;
- (b) The rates were set at a figure which, for the service personnel on leave without pay would net the individual after payment of income tax approximately the same amount as his service pay.

Mr. Strang compared the remuneration in 1943 of an instructor and a pilot officer as follows:—

	<i>Per Annum</i>
Pilot Officer, General List, Married, Service pay plus subsistence .....	\$3,458 55
Senior Pilot, A.O.S., Married, less income tax (excluding compulsory savings) .....	3,266 67

The Air Force witnesses stated that an instructor was employed at \$2,850 a year, increased to \$3,300 as soon as he was qualified for day flying only, and to \$3,600 as soon as he was a fully trained junior pilot; that approximately one-third of these personnel could reach a salary of \$4,800. The Air Force witnesses expressed the opinion that instructors in A.O.S.'s, numbering approximately 1,200, enjoyed a generally higher rate of pay and suffered slightly less risk than instructors in E.F.T.S.'s.

### *Section 7 (a)*

#### MERCHANT SEAMEN

The Interdepartmental Committee on Veterans Affairs examined representations dated November 28, 1945, and January 5, 1946, respectively, by Mr. W. R. Shaw of Halifax, N.S., and Mr. Terrence O'Grady of Victoria, B.C., and a letter dated November 23, 1945, from Mr. Arthur Randles, former Director of Merchant Seamen, requesting that he be heard by the Parliamentary Committee in order to explain the anomalies which appear when comparing the civilian service of Merchant Seamen with that of the armed forces. The Interdepartmental Committee heard Mr. Randles and the Assistant Director, Captain E. H. Cameron.

The representations by Mr. Shaw on behalf of Canada's Merchant Seamen, and with special reference to those who were detained in Germany, concede that the wartime status of these personnel differs greatly from that of members of the armed forces. He urges that this was not due to any action on the part of the seamen themselves but may be ascribed to the failure of the Government to include Canadian merchant seamen in the same category as members of the armed forces; and, as the Merchant Navy played an important, if not a vital, role in the winning of the war, the claim of the seamen to proper compensation should be dealt with in a sympathetic and practical manner. Mr. Shaw stated that, in proportion to its strength, the Merchant Navy suffered greater losses in lives and ships than any branch of the armed services, and Mr. Randles held the same view. Mr. Shaw objected to the imposition of income tax on the basic

wages of the 100 Merchant Seamen who were prisoners in Germany and for the non-payment of War Service and Special Bonuses during confinement. (Payment of Special Bonus of 10 per cent without time limitation to Merchant Seamen while prisoners has subsequently been authorized by Order in Council P.C. 18 of January 11, 1946.)

Mr. Shaw urged furthermore that the Special Bonus of 10 per cent should be paid to the many Canadian seamen who served on ships other than those of Canadian registry whose wages were in all cases lower than those paid on Canadian ships; moreover, that Canada should follow the lead of Australia in supplementing the pay to equal that payable on her own ships. (Mr. Randles said that the pay on ships of North and Central American registry was considerably higher than Canadian pay and he cited other instances of European registry where the same advantage was evident.)

Mr. Shaw's brief urged that, in addition to the points mentioned, Merchant Seamen should be permitted to participate in all benefits under the rehabilitation scheme.

Mr. O'Grady, who submitted his brief through Mr. R. W. Mayhew, M.P., argued generally along lines similar to that of Mr. Shaw but stressed particularly that only a very few Canadian Merchant Seamen were engaged in seafaring careers before the war and that they should be eligible for educational training, vocational training and general rehabilitation benefits.

The position of Merchant Seamen is broadly stated hereafter, based on the several regulations and information obtained from the Department of Transport witnesses. To achieve greater clarity, some repetition has been permitted.

### *Pay*

Canadian rates of pay are based on those paid by United Kingdom operators. The basic rate at the outbreak of the war for an able-bodied seamen was \$52.50 per month. In 1941 a 25 per cent War Risk Bonus was added for service in dangerous waters. In 1942 the basic rate was increased to \$70 per month, plus \$19.93 Cost-of-Living Bonus and a flat War Risk Bonus of \$22.25 (£5/0/0) established.

In 1943 the war risk bonus was increased to \$44.50 where it remained until 31st December, 1945, making a total of \$89.93 a month basic pay, plus \$44.50 while at sea. The war risk bonus is payable only for time at sea and forms a part of the wage paid by the operator as distinct from the war service bonus and the special bonus payable by the Canadian Government.

### *War Service Bonus*

Order in Council P.C. 49/2705 dated April 18, 1944, authorized the payment of a war service bonus of 10 per cent of total earnings to any seaman who signed an agreement to join a manning pool and serve at sea on foreign-going ships of Canadian registry for a period of two years or for the duration of the war, whichever might be the lesser period. The bonus was payable from the date of signing this agreement or, in the case of a man on the strength of a manning pool or serving in a foreign-going ship at the date the order in council came into effect and who immediately signed the agreement on discharge from his ship, from the 1st of April, 1944. The bonus was payable at the end of every 12 months' continuous service commencing from the date of the signing of the agreement or the 1st of April, 1944, as the case might be.

### *Special Bonus*

Order in Council P.C. 3227 dated May 3, 1945, authorized the payment of a special bonus of 10 per cent of all earnings, excluding overtime, for all service in dangerous waters between September 10, 1939, and April 1, 1944, subject to the following conditions:—

- (a) The seamen must have performed at least six months' service in a ship of Canadian registry in dangerous waters;
- (b) Seamen must have signed a manning pool agreement or, prior to August 31, 1945, agreed to serve for the duration of the war, if required.

In addition, any seaman domiciled in Canada on September 10, 1939, who had joined the United Kingdom Merchant Navy Reserve Pool and can produce a discharge certificate therefrom, is eligible for the bonus.

The bonus is normally payable after the termination of the war; immediately on discharge to seamen discharged for medical reasons; or immediately after discharge from the armed forces in the case of seamen who subsequently entered such forces. The seaman must produce his voyage discharge certificates and accounts of wages received.

### *Conditions of Service*

Order in Council P.C. 148/9130 dated November 22, 1941, provided for the establishment of training centres for the following purposes:—

- (a) To train men without sea experience as ordinary seamen;
- (b) To train men as firemen, stokers and trimmers;
- (c) To provide instruction in navigation for men with sea experience with a view to the issuance of certificates of competence up to a Master's Certificate, Foreign Trade;
- (d) To provide instruction for seamen with engine room experience with a view to the issuance of certificates up to Chief Engineer;
- (e) To train cooks.

These schools were open to all men who had signed a manning pool agreement and the basic wage was paid during attendance.

Under Order in Council P.C. 152/2705, dated 18th April, 1944, any seaman engaged on a foreign-going ship of Canadian registry, or any Canadian seaman engaged on a foreign-going ship of Allied registry, or any Canadian seaman on the strength of a manning pool in Canada, who was admitted from duty into hospital either in Canada or at any port outside of Canada, was granted up to twelve weeks' wages (excluding war risk bonus and war service bonus) provided he reported to duty on discharge from hospital.

P.C. 3005, dated April 24, 1944, provided that any seaman employed or engaged in any capacity on board a ship or carried on the strength of a manning pool be issued a warrant once a year entitling him to round-trip transportation to any point in Canada at a cost of one-third of the single first-class or coach fare.

Mr. Randles stated that members of a manning pool were allowed two days a month cumulative leave with pay at the end of each year.

Order in Council P.C. 11397, dated December 19, 1942, revoking and replacing previous orders in council dating from April 4, 1941, authorized the appointment of Boards of Inquiry with all the powers and authority of a Commissioner under Part I of the Inquiries Act and with authority to order the arrest anywhere in Canada of a seaman by any police officer or officer of His Majesty's Naval, Military or Air Forces. A Board might try a seaman charged with:—

- (a) Causing delay in the departure of a ship;
- (b) Desertion;
- (c) Refusal to sail on a ship;
- (d) Refusal to perform his regular duties on board ship;
- (e) Attempting to induce other seamen to interfere in any way with the proper operation of a ship with which they were employed;
- (f) Carrying on any subversive activities;



and order his detention in an immigration station, gaol or other place of confinement for a period not exceeding three months. It was further empowered to review the case at any time before expiration of the period of detention and "taking into consideration the seaman's conduct, the detention undergone, the seaman's attitude, and such other circumstances as to the Board seem proper, order that the seaman be:—

- (a) released; or
- (b) released to a ship; or
- (c) released to a manning pool; or
- (d) detained in an immigration station, gaol or other place of confinement for a further period not exceeding six months."

The Order in Council also authorized the appointment of a committee of investigation with powers to conduct an investigation into the conduct of any seaman and to order his temporary detention until final disposal of his case by a Court of Inquiry.

### *Manning Pools*

Order in Council P.C. 14/3550, dated May 19, 1941, authorized "the establishment of manning pools to provide "adequate accommodation on shore in Canadian ports for merchant seamen where they would received board, lodging and pay provided they, in return, agreed, in writing, to go to sea on any ship of their own nationality or on any ship to which they might be assigned, the expense in respect of which accommodation and services on behalf of other than Canadian merchant seamen to be a charge against their respective governments;"

Authority was also given for the appointment of a Director of Merchant Seamen to be charged with the administration and operation of the pool and welfare facilities for merchant seamen.

Order in Council P.C. 149/2705, dated 18th April, 1944, provided for the payment of a war service bonus to seamen on foreign-going ships of Canadian registry, provided they signed an agreement to serve on such ships for the duration of the war or for two years.

Order in Council P.C. 3227, dated May 3rd, 1945, offered further inducements to sign the pool agreement by offering a special bonus of 10 per cent. on wages earned while serving in dangerous waters between the 10th of September, 1939, and April 1st, 1944, to men enrolling before August 31st, 1945.

Members of the manning pool were paid basic wages while ashore and were eligible for the leave, sick leave, transportation and vocational benefits authorized by the various orders in council listed above, from the 18th of April, 1944, (the date of the order in council requiring them to sign a long term agreement) and were subject to heavy penalties if they left the pool without permission to join ships of foreign registry.

All foreign-going ships of Canadian registry were manned from the pool and, in some cases, seamen were assigned to coastal trade and to ships of Allied registry. The strength of the pool during the last three years of the war was approximately 7,000 men. The Transport Department witnesses estimated that approximately 15,000 men will have received either War Service Bonus or Special Bonus.

### *Vocational Training authorized by P.C. 148/9130 of November 22, 1941*

Four years' sea-going experience is required before a man is qualified as an Able Seaman. He is then eligible to sit for an examination to qualify him as a 2nd Mate. A course of approximately three months in navigation is necessary before he can write the examination with any hope of success. After obtaining his 2nd Mate's Certificate, the man must serve a further twelve months

at sea, when he may sit for an examination for a 1st Mate's Certificate and a further eighteen months' sea experience is required before attempting the examination for a Master's Certificate. Courses of instruction of approximately three months are also required in both cases. It is the usual practice that an officer hold a certificate for at least one rank higher than that which he is occupying, i.e., a 1st Mate usually holds a Master's Certificate and an Able Seaman may hold a 1st Mate's or 2nd Mate's Certificate.

Mr. Randles and Captain Cameron pointed out that, with the disbanding of the manning pools, there would be no provision to pay men taking these courses, and recommended strongly that some similar arrangement be provided in peacetime. They stated that a seaman's pay was too low to enable a man to save sufficient money to maintain himself while at school ashore and that it was in the public interest, as well as in the interest of the individual, to provide assistance for the training of prospective officer material.

### *Post-Discharge Benefits*

Pension on a scale approximating the rates in the Pension Act is granted for death or disability suffered by any seaman as a result of enemy action or counter-action.

Any seaman is eligible for:—

- (a) full benefits under The Reinstatement in Civil Employment Act;
- (b) treatment for non-pensionable disability incurred in service at sea for a period of 18 months if commenced within 12 months of termination of service;
- (c) compensation for loss of effects and continuation of wages and payment of special bonus if enemy prisoner;
- (d) if pensionable, treatment for pensionable disability, including hospital allowances; and
- (e) if pensionable and unable to carry on as a seaman because of his disability, vocational training and the benefits of the Veterans' Land Act.

Any seaman eligible for either the War Service Bonus or the Special Bonus is also eligible for:—

- (a) veterans' insurance;
- (b) railway fare from port of final discharge in Canada to his permanent residence in Canada.

In addition, P.C. 3227 provides that the Minister of Transport may make a grant "for the purpose of assisting such seamen in undertaking courses for which they may be suitable to increase their skill and knowledge for advancement in the Merchant Navy and all the provisions of Post-Discharge Re-establishment Order respecting vocational and technical training benefits shall *mutatis mutandis* apply to such grants."

Mr. Randles recommended that this provision be continued in any projected legislation to enable men to complete their apprenticeship and training for a Master's Certificate.

Mr. Randles also recommended that a man who signed a long-term contract prior to the 31st of August, 1945, be eligible for the special bonus for any time served in dangerous waters on a foreign-going ship of Canadian registry between September 10, 1939, and April 1, 1944. At present, the provisions of P.C. 3227 are interpreted to mean that he must have so served at least six months.

The question of extending the special bonus to Canadians who had served on ships of United Kingdom or Allied registry (after the Ally had entered the war) was discussed at length. The witnesses, while sympathetic to the suggestion, believed that the administrative difficulties would be insurmountable. They stated, however, that there were many injustices at present and

cited the case of two Polish ships which had been manned at the port of New York from the Canadian manning pool on the instructions of the Director of Merchant Seamen. These men are not eligible for the bonus.

### *Casualties*

Mr. Randles stated that the percentage of casualties in the Merchant Marine was greater than in any of the other Services. At the beginning of the war, there were 1,100 seamen serving on ships of Canadian registry. Fatal casualties during the war were approximately 1,200. The United Kingdom had approximately 38,000 fatal casualties since September, 1941, out of a total strength at the beginning of the war of 185,000. There have been relatively few injuries, most of the casualties being fatal.

To summarize the recommendations of Mr. Randles:—

- (1) That provision be made in peacetime for courses, at the expense of the Government, with allowances, for any seaman deemed suitable for qualification for a higher rank, who has received, or is eligible to receive, a bonus under the Merchant Seamen Special Bonus Order, and it should be noted that no time limit is feasible by reason of the requirement for intervening sea experience between courses of instruction;
- (2) That the requirement of six months' service, prior to April 1, 1944, in dangerous waters to qualify for Special Bonus be removed.

### *Section 7 (b)*

#### CIVILIAN CREWS OF GOVERNMENT VESSELS AND OF CABLESHIPS

The Interdepartmental Committee on Veterans Affairs had before it the letter of October 16, 1945, from Mr. Gordon B. Isnor, M.P., to the Chairman of the Special Committee on Veterans Affairs last session, wherein Mr. Isnor expresses the wish to present to the members of the Parliamentary Committee representations which he has received on behalf of members of the civilian crews of Government vessels and of the *Cyrus Field* and *Lord Kelvin*, two of the cableships which make their headquarters at Halifax.

The Interdepartmental Committee ascertained that the third cableship based on Halifax is the *John W. MacKay* and that these three ships are owned by the Cable Companies—the MacKay, the Commercial, and the Western Union.

The vessels are merchant ships of United Kingdom registry and the Committee was informed that, allowing for turnover of crew, the total number of men employed on one of these ships since the outbreak of war might be as many as fifty.

The crews of the vessels operated by the Department of Transport in such work as the supplying of lightships are Government employees.

The Interdepartmental Committee was advised that the crews of both of these classes of vessels were called upon to sail in dangerous waters, and that a very large percentage were of Canadian domicile.

### *Section 7 (c)*

#### HALIFAX PILOTS

The Interdepartmental Committee on Veterans Affairs examined representations by Pilot N. L. Power and Captain R. M. Betts of the Halifax Pilotage District and a communication dated February 8, 1946, from Commander C. P. Edwards, Deputy Minister of Transport.



Captain Betts urged that the same benefits accorded to Merchant Seamen be granted Halifax Pilots while Mr. Power dealt particularly with the 10 per cent War Service Bonus. They state that the Halifax Pilots were continuously subject to great risk, the Pilot Boat's position being some miles outside the R.C.N. Examination Vessel; that they were out in all weather day and night in waters infested by enemy submarines; that they were at times overcarried as far as New England and the West Indies and have been taken off ship by the R.C.N. several hundred miles out to sea; that during the war six pilots and three crewmen were killed on duty and others severely injured and some discharged as a result of injuries or illness incurred in the course of their duties. They urge that as the crews of the ships which carried the pilots were subject to war risk, so were the pilots.

By Order in Council P.C. 104/3546 dated April 30, 1942, which superseded previous regulations, pension is awardable for disability or death suffered by any licensed pilot as a result of enemy action while in the performance of his duties at the following rates:

For Licensed Pilots..... Lieutenant (Navy);  
For Licensed Apprentice Pilots... Sub-Lieutenant (Navy).

Commander Edwards stated:—

- (1) The number of pilots normally employed at Halifax before the war was twenty. The number was gradually increased during the war to meet convoy requirements. A maximum of forty-four pilots, twenty permanent and twenty-four temporary, were employed at the close of 1942. At present there are nineteen permanent and four temporary pilots. Twelve temporary pilots were released from service on the 30th September, 1945, on account of reduction in shipping traffic.
- (2) Permanent pilots are licensed until they are sixty-five years of age. Their licences can be suspended or cancelled under the Pilotage By-laws. Temporary pilots appointed during the war received temporary licences for one year from the date of appointment, with renewal from year to year during the war period. Temporary pilots were free to resign at any time. After appointment, temporary pilots, after a probationary period of three months at two-thirds full pay, were given the same remuneration as permanent pilots.
- (3) Six pilots (five permanent and one temporary), were drowned when the pilot vessel *Hebridean* was sunk on 29th March, 1940. The vessel sank at the entrance to Halifax Harbour after collision with an incoming vessel. Three members of the crew of the *Hebridean* were lost at the same time.
- (4) No increase in pilotage charges was made at Halifax during the war, nor was any bonus for war risk paid the pilots.
- (5) The net average earnings of Halifax pilots from 1939 to 1945 are:—

For fiscal year:

1938-39. . . . .	\$3,228 36
1939-40. . . . .	7,549 45
1940-41. . . . .	8,299 17
1941-42. . . . .	9,268 28
1942-43. . . . .	5,538 00
1943-44. . . . .	5,713 66
1944-45. . . . .	4,817 06

Net earnings are made after upkeep and maintenance of pilot boats and crews have been paid, and contributions made to the Pension Fund.

The permanent pilots contribute 7 per cent of their earnings to a retirement fund which, on retirement, gives them an annuity of \$40 per annum for each year of service with a maximum of \$1,600. In case of the pilot's death, either during service or after retirement, half of the amount of his annuity is payable to his widow for life.

Commander Edwards thought that the amount of work done by the pilots should be measured by the reputation of Halifax as, for a time at least, the greatest convoy port in the world.

### Section 8

#### WOMEN SERVING WITH THE ROYAL NAVAL FORCES

The Interdepartmental Committee on Veterans Affairs examined a memorandum dated November 24, 1945, from the Deputy Minister of National Defence to the Deputy Minister of Veterans Affairs wherein it was stated that the United Kingdom Women's Services are not for all purposes a part of the forces of His Majesty and that members thereof who were domiciled in Canada before enlistment and who are now so domiciled may not be entitled to the benefits of The War Service Grants Act. The Deputy Minister of National Defence suggested that consideration be given to an appropriate remedy on behalf of these women.

The Interdepartmental Committee was advised that members of the Women's Services of the British Army and Air Force (A.T.S. and W.A.A.F.) are regarded as actual members of the forces for all purposes, but members of the W.R.N.S. are not so regarded.

The Interdepartmental Committee was supplied with the following extract from "Statutory Rules and Orders 1944" (U.K.): "Statutory Rules and Orders 1944 No. 99 Navy and Marines, Pay, Pensions, etc.:—

'Woman member of the naval forces' means a woman who is:

- (a) a medical or dental practitioner employed with the Medical Branch or Dental Branch of the Royal Navy with naval status for general service;
- (b) enrolled in Queen Alexandra's Royal Naval Nursing Service or the reserve thereof;
- (c) enrolled in the Women's Royal Naval Service;
- (d) a member of a Voluntary Aid Detachment enrolled for employment under the Admiralty."

Admiralty Fleet Orders 2870 and 2874 dated May 31, 1945, provide that war gratuity at a lesser rate than that for men has been approved by His Majesty's Government for W.R.N.S. officers and ratings.

Under date of December 19, 1945, the Department of Justice gave to the Department of Veterans Affairs an opinion to the effect that women who served in the W.R.N.S. were not members of the armed forces of the Crown, and it would follow therefore that these women are not entitled to any gratuity under Section 17 of The War Service Grants Act.

It is apparent therefore that these women received pension and certain other benefits from the British Government on a basis similar to that enjoyed by the A.T.S's and W.A.A.F's but unlike the latter are not eligible for any benefits under Canadian veteran legislation.

## Section 9 (a)

## CIVIL SERVICE PREFERENCE

The Interdepartmental Committee on Veterans Affairs examined submissions by the Canadian Legion, the Citizens' Rehabilitation Council of Vancouver, Mr. M. J. Coldwell, M.P., Mr. J. M. Dechene, M.P., Air Marshal Robert Leckie, Commodore Paul W. Earl, Chief, Naval Personnel, the Deputy Postmaster General, and the Civil Service Commission. Commander J. A. Sutherland presented Commodore Earl's statement and gave evidence. Wing Commander J. D. Jennison and Squadron Leader R. M. Beer were also heard.

Under the Civil Service Act and relevant Orders in Council, preference in employment to veterans who qualify by examination is granted as follows:—

- (1) to a pensioned veteran disabled while on service either in Canada or overseas to such an extent that he cannot resume his pre-war occupation and has not been successfully re-established in some other avocation;
- (2) to a veteran who saw active service overseas, or a veteran of the R.C.A.F. who has been required in the course of operational duties to fly outside the territorial waters of the Western Hemisphere (but not as a passenger or a person receiving a limited period of training); or a veteran of the Royal Canadian Navy who served on the high seas in a ship or other vessel, service in which is classed as "sea time";

and to the widow, who qualifies by examination, of a veteran who died as a result of overseas service;

Provided that veterans of World War II are required to have been resident in Canada at time of enlistment; and

Provided further that such service was performed prior to V-E Day or V-J Day, as the case may be.

The Canadian Legion recommends that these preferences be maintained and that an additional preference be given to all veterans who volunteered for active service and served honourably for, at least, one year. In connection with the contention that the preference at present extended to veterans of World War I and World War II practically excludes civilian applicants, the Legion quotes the following figures:—

Sept. 1, 1918 to Dec. 31, 1940	Total Male Appointments	Veteran Percentage
Permanent and seasonal.....	41,218	40·21%
Temporary appointments.....	127,661	30·53%
	168,879	32·89%
Jan. 1, 1941 to Nov. 30, 1945		
Total number of assignments .....	85,780	
Total number of Civilian assignments.....	63,356	
Total number of Veteran assignments.....	22,424	
		26·01%

The following are the percentages of veteran male appointments from September 1, 1918 to December 31, 1929:

	Permanent	Temporary	All Classes
Sept. 1 1918 to Dec. 31, 1919.....	47·1	51·8	51·0
1920 .....	59·6	52·6	49·4
1921 .....	66·0	55·2	50·2
1922 .....	73·5	46·8	55·1
1923 .....	75·3	48·25	57·85
1924 .....	72·3	55·18	59·2
1925 .....	61·3	48·0	47·7
1926 .....	55·4	45·3	48·1
1927 .....	54·8	34·29	41·0
1928 .....	47·3	32·0	36·8
1929 .....	42·1	25·6	32·0

The Legion points out that the statutory preference was not solely a measure of rehabilitation but also an expression of gratitude by the people of Canada



to the veteran who had undergone hazardous service; furthermore, however, to recognize the handicap due to long absence from the Country and to set an example by the Nation's largest employer.

The Legion expressed disapproval of previous suggestions that a system of a bonus of marks for disability, overseas service, or service in Canada, be introduced, arguing that such a system might qualify an otherwise unqualified applicant and seriously lower the standard of the Public Service.

The Citizens' Rehabilitation Council, Vancouver, B.C., recommends:—

- (1) That length of service as a volunteer or battle experience should be given priority rather than the "overseas" requirement which might be of very short duration with no battle experience;
- (2) That disability pensioners of the Merchant Navy who are entitled to Vocational Training and Veterans' Land Act benefits be included in the Civil Service preference.

Mr. Coldwell and Mr. Dechene suggest that some consideration be given to veterans who volunteered for General Service but did not leave Canada.

Air Marshal Leckie urged that veteran preference be extended to include RCAF flying personnel employed in Canada in the Western Hemisphere Operational Units and Instructors in the British Commonwealth Air Training Plan. Air Marshal Leckie states that the majority of these personnel urged repeatedly to be allowed to proceed overseas but the exigencies of the Service compelled him to order their retention in Canada; that these men suffered risks comparable with those encountered by Air Crew employed in the same type of flying overseas; that their casualties in killed, missing and injured totalled approximately 550 in Western Hemisphere Operational Units and 1,400 in the British Commonwealth Air Training Plan; and that even the widows of such men who died in Canada are also excluded from the preference extended to the widows of Air Crew killed overseas.

The Committee considered that the attention of the Parliamentary Committee should be invited to the point raised by Air Marshal Leckie concerning the ineligibility for the veteran preference of pensioned widows of personnel without overseas service who died in Canada when the injury causing death arose out of or was directly connected with service.

Commodore Earl's statement and Commander Sutherland's evidence pointed out that all Naval personnel had volunteered to serve anywhere and the decision as to where the individual would serve most effectively rested entirely with the Service; that, regardless of where they served, these men and women must all be re-established and many of them had excellent qualifications for employment in the Government service. The representations recommended that the veteran preference be extended to include all volunteers who served on active service in Canada or elsewhere and it will be noted that these representations go much further than those of Air Marshal Leckie and that Army made no representations.

Wing Commander J. D. Jennison and Squadron Leader R. M. Beer made representations on behalf of a special group of Air Force personnel who were recruited for marine service. These personnel manned some thirty seagoing vessels which were engaged for two main purposes, namely: rescue and supply. These ships were based at various points on the Atlantic and Pacific Coasts. The witnesses pointed out that the veteran preference is granted to Naval personnel performing similar service and the witnesses urged that the Order in Council granting such preference (P.C. 30/7500 of December 29, 1945) be amended to include members of any branch of the Service who have served on the high seas in a ship or other vessel, service in which would be classed as "sea time" for the purpose of advancement of Naval ratings. It was pointed

out to the Interdepartmental Committee that the definition of "overseas service" in Section 2 (*m*) of The War Service Grants Act makes no distinction between branches of the Service, merely requiring that service would be classed as "sea time".

The Interdepartmental Committee was also made aware that certain personnel of the Army Service Corps were performing duties similar to those of certain of the personnel hereinbefore described.

The Deputy Postmaster General recommended a graduated preference by means of additional marks to be added to those earned by a candidate at a Civil Service examination as follows:—

Disability Preference .....	20 marks
Overseas Service .....	15 "
Service in Canada .....	10 "
Previous Civil Service experience but turned down for Military Service on account of being unable to meet requirements .....	5 "

He proposed the graduated preference rather than an absolute preference, and that the overseas preference should not be valid after a period of ten years and should not apply to applicants over 44 years of age. The Deputy Postmaster General's submission is rather lengthy but, briefly, he states that his Department could not employ excellent civilian material to whom the preference was not available and was compelled to employ men of advancing years, whereas it is desirable that Post Office employment be restricted to men of good physique because of the night duty, outdoor work and other factors which impose a strain upon a man's physical condition. The Interdepartmental Committee would point out that the Deputy Postmaster General is speaking of the veterans of World War I and an adequate leaven of young men should now be available. The representations suggest that the Country's debt would be met by giving members of the fighting forces reasonable advantage but at the same time permitting civilians who were rejected by the Services on medical or similar grounds and have been employed for a number of years in the Post Office Department a chance for successful competition.

The Deputy Postmaster General draws attention to the proposals of the Whitley Council in the United Kingdom to reserve for ex-servicemen three-quarters of the administrative positions, two-thirds of the executive and one-half of the clerical; and to the added point system in effect in the United States.

The memorandum of the Civil Service Commission states that the suggestion that the preference should be extended to all who volunteered for service in the forces irrespective of field of service was, together with a number of other suggestions, given careful consideration and "it has been generally felt that the primary desire of Parliament and of the country was to express some measure of appreciation and gratitude to those men and women who actually risked their lives in time of war in the defence of their country, and with this background in mind it was felt that an extension of the preference, which would have the effect of reducing the number of positions available for such 'risk' and 'combat' veterans, would not be desirable.

"It was similarly felt that a secondary preference to members of the forces who had served only in Canada would encounter difficulties in securing public support, on account of the fact that it would virtually exclude from employment in the Public Service a large number of other workers who through no fault of their own had not been in the Armed Forces, including munition workers, persons frozen in industry, and the general body of citizens who, because of age or physical unfitness, were unable to enlist in the Armed Forces. Even with the present restricted preference, these classes will have little opportunity of securing Government employment on any large scale for some time.

"The general conclusion on the matter has accordingly been that an extension of the preference to include all persons who had served in the forces would not be justified."

The Commission points out that veteran appointments in November, 1945, amounted to 80 per cent of all male appointments and that a great many temporary employees who were appointed during the war are now being replaced by returning veterans.

The Department of National Defence estimates that the number of "General Service" veterans who served in Canada only, for one year or more, will be in the neighbourhood of 153,000 (Army), 118,000 (Air), 46,000 (Navy).

### *Section 9 (b)*

#### REINSTATEMENT IN CIVIL SERVICE OF PERSONNEL WHO RESIGNED TO ENLIST

The Civil Service Commission's memorandum states in part as follows:—

Another point to which reference should be made is the difference between re-establishment procedure in industry and Government. Under the Reinstatement in Civil Employment Act persons who joined the Armed Forces are given a general guarantee of re-employment in their former or similar positions. In the Civil Service this guarantee is limited to persons who enlisted with the consent of their departments and who were serving before the war or if appointed subsequently, in positions not arising out of war activities. In other words, a person who had to resign in order to enlist does not get the guarantee of re-employment in the Civil Service which he enjoys in industry. It does not seem desirable that this differentiation should continue.

### *Section 10*

#### VETERANS' BUREAU Status of Commission

The National Council of Veteran Associations submitted that the suggested change to a commission status would free the Veterans' Bureau from what might be considered Departmental influence or direction and give the Chief Pensions Advocate powers equal to the power of the Chairman of the Canadian Pension Commission.

The Committee appreciates the significance of the Bureau's work and made careful inquiries to ascertain the proper status in keeping with those important functions. It sought unsuccessfully to obtain an opinion that the functions presently performed by the Veterans' Bureau would be the proper functions of a commission as a commission is normally a fact-finding or judicial and administrative body and not a group of advocates.

Furthermore, a Commission, while free from Departmental direction, would not necessarily be free from Government direction and the merit system of appointment might be sacrificed.

The limited term of office of a Commissioner would mean the possible loss of men who had gained experience in the work, knowledge of the jurisprudence and confidence of the veteran body by continuous association.

The Committee have not received any confirmatory opinion that the present high standard of the work of the Veterans' Bureau would be improved if the Bureau were to be given the status of a Commission nor that the individual ex-service man or woman would feel better satisfied with the service.



The Committee thought it would be of value to obtain the opinion of the Canadian Legion in this connection and a letter from the Dominion Command of the Legion reads as follows:—

In reply to your letter of January 22nd, may I say that the Legion believes that the Veterans' Bureau has functioned admirably. The proposal to have the Veterans' Bureau administered by a Commission has not caused any strong opinion one way or another to be expressed by our Commands and Branches. It is a very long time since we had any serious complaints registered regarding the operation of the Veterans' Bureau. The independent operation of the Veterans' Bureau in its function of advocate does not appear to have been seriously affected because of its present status. On the other hand, of course, the Legion wishes a Pensions Advocate to have all the freedom that an advocate should have, and would certainly seek a remedy if departmental relationships became restrictive.

### Section 11

#### MISCONDUCT

A. Amending Discharge Certificates.

B. Granting of post-discharge benefits other than under The War Service Grants Act, 1944.

The Special Committee of the House of Commons on Veterans Affairs of 1945 had recommended the constitution of a Board of Review to consider the propriety, or otherwise, of payment of the benefits under The War Service Grants Act (i.e., War Service Gratuity and Re-establishment Credit) to a veteran discharged for misconduct and, if indicated, to direct that the veteran shall receive such benefits.

After the Special Committee had so recommended, a subcommittee of the Special Committee considered the problem further and concluded its report to the main Committee as follows:—

Your subcommittee feels that it should logically follow that, as the worth of the member's service has been decided to be the predominating factor, no further disability in the way of obtaining employment and rehabilitation should follow on account of any entry on the discharge sheet, and so RECOMMENDS — THAT in all cases where the Board of Review has made an order granting gratuities, the discharge sheets shall be automatically referred back to the Service concerned for amendment of the cause of discharge to read:— "Free to take up civilian occupation."

The three Deputy Ministers of National Defence were invited to comment upon the recommendation of the subcommittee and, speaking for the three Services, the Deputy Minister (Army) stated that it was the considered opinion of the Department that it should not be mandatory for the Service to alter the discharge certificate in cases where payment of gratuity was ordered by the Board of Review but, rather, that the Service concerned should retain a discretionary power to determine the stated cause of discharge to appear on all discharge certificates. The Deputy Minister suggested that the position of incorrigibles who had been of little or no use to the Service during the war must be kept in the proper relation to personnel who rendered long and good service.

At December 31, 1945, the total discharges were:—

Army .....	396,149
Navy .....	66,682
Air Force .....	166,020

of which the following were for misconduct:—

Army .....	4,952
Navy (Nov. 30) .....	1,153
Air Force (Nov. 30) .....	1,184

Under the original Board of Review headed by Brigadier Topp, payment under The War Service Grants Act could not be made in cases of discharge for misconduct unless the discharge certificate was altered to an honourable discharge. In the following cases the discharge certificate was altered by the Service on the recommendation of the Board:—

Army .....	6
Navy .....	23
Air Force .....	40

In the following cases the Board of Review made a favourable recommendation but the Department, not concurring, did not alter the discharge certificate:—

Army .....	None
Navy .....	7
Air Force .....	8

The army has appointed a Board of Officers to study all cases of dishonourable discharge with a view to changing the stated reason for discharge where considered advisable. Such cases as the Board of Officers considers the stated cause should not be changed are forwarded to the Board of Review constituted under The War Service Grants Act.

The Board of Review headed by Brigadier Ferguson has power to order payment of benefits under The War Service Grants Act. This Board began to function on February 11, 1946, and at March 9 had considered 161 cases of dishonourable discharge, allowing payment in 131 cases with 30 cases under consideration.

The Interdepartmental Committee on Veterans Affairs points out that, if the Service amends the dishonourable discharge certificate to show an honourable discharge either of its own volition or in those cases where the Board of Review has directed payment of benefits under The War Service Grants Act, no problem arises in respect of eligibility for the several benefits under other rehabilitation legislation. If, however, the discharge certificate remains as written for a dishonourable discharge, the veteran will continue to be ineligible for other legislation, as noted below, requiring honourable discharge. Furthermore, if the decision of the Service to change the discharge certificate or the decision of the Board of Review to pay the War Service Gratuity is applied in respect of other legislation, the veteran may nevertheless be ineligible for benefits under The Veterans Rehabilitation Act and the treatment regulations by reason of the expiration of time limits.

The following measures do not require that the veteran to become eligible shall have had an honourable discharge:—

- Pension Act
- Treatment Regulations (excepting Class 3)
- The War Veterans' Allowance Act
- Veterans' Insurance Act
- The Reinstatement in Civil Employment Act
- Civil Service Act, Section 29 as to pensioners.

The following measures, besides The War Service Grants Act, require that the veteran to become eligible shall have had an honourable discharge:

The Veterans' Rehabilitation Act

The Veterans' Land Act, 1942

Civil Service Act, Section 29 as to O.A.S. preference

Treatment Regulations (Class 3 unless Department of Veterans Affairs otherwise directs)

P.C. 2349 dated April 4, 1944, respecting Rehabilitation Grant.

The Interdepartmental Committee sought the opinion of Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs, as to the best method of implementing any recommendation which might emanate from the Parliamentary Committee to the effect that, notwithstanding a dishonourable discharge, a direction by the Board of Review to pay War Service Gratuity should carry with it authority to participate in the benefits named in the last five measures. Mr. Gunn advised that the best method is by way of amendment to the several Acts and regulations.

### *Section 12*

#### SOLDIER SETTLEMENT ACT

##### GRANT OF CLEAR TITLES

The Interdepartmental Committee on Veterans Affairs examined a brief dated in or about November, 1945, from Messrs. H. C. Baker and Alfred J. Sibley, signing as President and Secretary, respectively, of the Soldier Settlers' Association of Canada. The brief refers to previous briefs directed to the Prime Minister and members of the Government in May, 1944, and to the Minister of Veterans Affairs in March, 1945. These also the Interdepartmental Committee examined as well as the submission of the Canadian Legion. The Committee also received a memorandum from Mr. W. M. Jones, Chief Executive Assistant to the Director, Soldier Settlement of Canada, and heard evidence by Mr. Jones.

The brief of May, 1944, asks that the soldier settlers who purchased from the Soldier Settlement Board be given, with effect September 3, 1939, clear title to their lands and restitution where the lands have changed hands, and that the same consideration be given their widows and orphans. The brief urges that, by grant of clear title, the soldier settler should have security and freedom from fear and want to the same degree as that given to the staff of the S.S.B. by way of superannuation. The brief cites cost of administration and points out that the grant of clear titles would save the country further administration expenditures. The brief states that a large number of soldier settlers are nearing 70 years of age and will find it impossible to complete a further 20-year contract under the provisions of Order in Council P.C. 10472 of November 19, 1942. The brief asserts that between September 1, 1939, and December 31, 1943, 2,418 settlers left or were put off their farms and, if this rate is maintained, there will be no soldier settlers left in another five years. The brief adds that the soldier settlers' association has secured the unanimous support of the Alberta Legislature, the 20,000 members of the Alberta Farmers' Union, the Saskatchewan Association of Rural Municipalities, the Saskatchewan Wheat Pool, the United Farmers of Canada (Saskatchewan Section), and the United Farmers of Alberta.

The brief of March, 1945, urges that a clear title be given to all lands held by soldier settlers as at March 31, 1944. It is stated that practically all these settlers are over 60 years of age, indeed some are beyond 80 years; that at March 31, 1944, 6,153 soldier settlers, still holding contracts on their farms, owed an average of \$1.254 or a total of \$7,715,954.01. The brief states that the average annual cost of the administration is approximately \$1,100,000 and argues



that "seven years of this administration would eat up the whole of the present debt". Furthermore, the brief argues that failure to grant clear titles will force a number of the present settlers to apply for War Veterans' Allowance which, at \$720 a year, will exceed in two years the present average indebtedness. The brief states that the request has the support of the thousands who signed the petition of 1944 as well as the other organizations mentioned, the Canadian Federation of Agriculture, and the executives of the Alberta and British Columbia Commands of the Canadian Legion.

The third brief of November, 1945, argues that the soldier settlers who were able to pay their indebtedness during the past six years had better luck than those who failed to do so—better crops, no lack of moisture, freedom from frost, hail and the grasshopper pest, and freedom from family sickness. The brief urges justice, not charity, for the large number of original settlers still remaining on their farms.

The solution offered by the Canadian Legion is contained in the following resolution:—

Therefore be it resolved that, in order to be fair to our aging veterans and to bring the old and the new settlement acts more into line, the Dominion government be asked to readjust the debts of the 6,153 original soldier settlers who have not paid for their lands, such readjustment to take into consideration the difference in interest rates charged under the said acts; and that following such readjustment the government be further asked to cancel the debts of those original soldier settlers whose debt has been, or may hereafter be, reduced to 25 per cent of the original purchase price or the reduced purchase price.

The Legion goes on to state:—

The position of the widows of soldier settlers has long been a problem with the Canadian Legion. There is a strong feeling that a family left destitute should be permitted to remain on the farm. The present practice is to dispose of the farm and pay the widow any equity that may be due to the estate. Experience indicates that in a very large number of instances the amount available to the family is practically nil.

The memorandum by the Chief Executive Assistant to the Director, Soldier Settlement of Canada, addressed to the Chairman of the Interdepartmental Committee, states:—

It is understood your Committee, a fact-finding body, wants to know the present true position of soldier settlers in comparison with their position in 1942, when Soldier Settlement was reviewed from inception by a Special Parliamentary Committee on Land Settlement of veterans. Minutes of proceedings and evidence of the 1942 Committee (April-July 1942) are of public record. (Nos. 1 and 2-7 to 11.)

This memorandum of factual material (*with supporting schedules and summaries*), should serve as a useful basis to enable the Committee to assess the progress made by soldier settlers since March 1942, and the prospect of farm home ownership for those still indebted under existing terms of the Soldier Settlement Act.

This statement is submitted in two parts:—

Part one covers briefly (a) the position of soldier settlers as at March 31st, 1942; (b) the position of soldier settlers as at December 31st, 1945. Part two covers Debt Adjustment operations under P.C. 10472 of November 19, 1942—an order passed pursuant to report and recommendations of the 1942 Parliamentary Committee.

In assessing the factual material in this statement and supporting schedules and exhibits, it is important to note:—

1. Farm values (security values) were established in the fiscal year 1941-42. These values were conceded by the 1942 Parliamentary Committee to be reasonable values reflecting the then adverse agricultural conditions. The values have not been revised upward to reflect the appreciable general rise in farm values that has taken place since the Spring of 1942.

2. There are differences between the total number of active settlers (active loans) on the grading schedule dated December 31, 1941, and in Annual Report March 31, 1942; and the number of active settlers on the grading schedule dated November 1st, 1945, and active settlers as at December 31st, 1945. The differences are due to variations in the dates of compiling the schedules and preparing the balance sheets from ledger accounts.

3. Dominion "averages" may sometimes be misleading in that they do not reflect the true position in a given Province.

4. Where settlers are designated according to grades in this Statement: Grade 1 means the settler has personal equity of 40 per cent or more in the farm; Grade 2, 20 per cent to 40 per cent equity; Grade 3, less than 20 per cent equity; Grade 4, no equity whatever.

## PART I

### GENERAL POSITION OF SOLDIER SETTLERS AS AT MARCH 31st, 1942

There were 7,255 active soldier settlers with total debt of.....	\$10,574,619
an average debt of.....	1,457
average value of farm.....	2,390

Nearly 40 per cent of the total settlers were reported in very unsatisfactory position. Crop failure conditions in important areas of Western Canada had continued beyond expectations; 1941 was a bad crop year in certain areas of Saskatchewan and Alberta. Two-thirds of the total settlement is located in Saskatchewan and Alberta.

This was the position according to Annual Report March 31, 1942, and as reported to the Special Parliamentary Committee (basis December 31, 1941, grading schedule):—

2,953 settlers (Grade 1)—average personal equity ....	67.5%
606 settlers (Grade 2)— " " " ....	32 %
1,078 settlers (Grade 3)— " " " ....	17 %
2,723 settlers (Grade 4)— " " " ....	No equity

The Parliamentary Committee focused attention on the 3,800 settlers in Grades 3 and 4; some members expressed the opinion this entire group had little prospect of ever owning their farms.

### *General position of Soldier Settlers as at December 31, 1945*

There were 4,446 active settlers with a total debt of \$5,208,948. An average debt of \$1,172. Average value of farm, \$2,300, (1941-42 farm values).

The fact that 2,484 soldier settlers repaid their loans in full in cash and received title to their farms in the three year and nine months period from March 31, 1942, to December 31, 1945, accounts primarily for the decrease in active settlers (active loans).

This was the position of total of 4,563 active settlers as at November 1, 1945, (grading schedule) :

2,396 settlers (Grade 1)—average personal equity	....	68.6%
1,446 settlers (Grade 2)—“ “ “	....	30 %
518 settlers (Grade 3)—“ “ “	....	14 %
203 settlers (Grade 4)—“ “ “	....	No equity

NOTE:—In the three year and seven months period between March 31, 1942, and November 1, 1945, 169 soldier settlers assigned their contracts to other purchasers, the settlers taking their equities in cash, and 108 farms reverted to the Director by reason of abandonment, death, etc.

*The altered position of the 3,800 Soldier Settlers on whom the Parliamentary Committee in 1942, focused their attention.*

This was the position of 3,641 of these settlers as at November 1, 1945: 517 settlers had repaid their loans in full in cash and received title to their farms.

854 settlers (Grade 1)—average personal equity	....	56%
1,340 settlers (Grade 2)—“ “ “	....	30%
517 settlers (Grade 3)—“ “ “	....	14%
203 settlers (Grade 4)—“ “ “	....	No equity

NOTE :—119 of this entire group had assigned their contracts taking their equities in cash, and 91 farms reverted to the Director since March 31, 1942. The settlers referred to in this section are included in the general summary immediately preceding.

### *Main factors contributing to improved position of Soldier Settlers.*

1. The combination of good crops and favourable prices—(especially in the two fiscal years ending March 31, 1944, and March 31, 1945).

2. The excellent payment record of soldier settlers. In the three year nine months period March 31, 1942, to December 31, 1945, soldier settlers paid in cash on their contracts a total of \$5,221,920. Of this amount \$3,170,578 was in the form of payments on current instalments due and \$2,051,342 as prepayments in advance of maturities.

3. Debt adjustment under P.C. 10472. Sixteen hundred soldier settlers have had their debts reduced by \$1,007,000. There is clear indication in the majority of cases that these adjustments have been an incentive to settlers to keep their accounts up to date.

## *Part 2*

### *Debt Adjustment under P.C. 10472*

The position of soldier settlers, March 31, 1942, as reported to the 1942 Special Parliamentary Committee is as hereinbefore outlined.

Recommendations of the Committee in their fifth report to the House of Commons July 17, 1942, were substantially implemented by Order in Council P.C. 10472, dated November 19, 1942.

Briefly, the Order makes provision for:—

- Reduction in rate of interest from 5 per cent to  $3\frac{1}{2}$  per cent with respect to persons indebted to the Director of Soldier Settlement enlisted for active service in the present war.
- Extension of terms of agreement between a soldier settler and the Director, such extension not to exceed 20 years as from the standard date in 1942.



- (c) Reduction of indebtedness of soldier settlers by Treasury Board on the recommendation of the Director. The Order provides that the recommendation made by the Director shall be based upon the amount which in his judgment constitutes the present and prospective productive value of the land.

All applications by settlers to benefit under the Order were to be made on or before December 31, 1943.

It is important to note:—

1. By Order in Council P.C. 8346 of the 28th of March, 1945, the interest rate for all soldier settlers whose agreements were still in force was reduced from 5 per cent to  $3\frac{1}{2}$  per cent effective from the standard payment date 1944.
2. By Order in Council P.C. 191/6282 dated the 28th of September, 1945, the provisions of P.C. 10472 with respect to debt reductions were extended so that settlers may make application up to March 31, 1946.

The basic approach by the Director and his responsible officers to the practical implementation of P.C. 10472 was—(a) the situation must be regarded as part and parcel of the general problems of post-war adjustment; (b) in debt reduction operations productive value of the land must be considered in relation to the special circumstances and capacity of the individual soldier settler farmer.

The following facts are submitted on debt adjustment operations under the Order to December 31, 1945:—

1. A total of 1,600 soldier settlers have had their debts reduced by \$1,007,000. The average reduction per settler was \$630. Debts on average have been reduced by 28 per cent below the debt owing by settlers on the standard date 1942. After reduction the total amount owed by these 1,600 soldier settlers was 22 per cent below the aggregate 1941-42 value of their farms.
2. Eighty per cent or 1,304 of the total debt reductions to date have been granted in Saskatchewan and Alberta where two-thirds of the total settlement is located and where the adversities of the 1930's had their greatest impact.
3. Dominion averages do not reflect an accurate picture in debt adjustment operations of this kind conducted on an individual basis. The following facts with regard to debt adjustment in the Provinces of Saskatchewan and Alberta illustrate this point. Fifty-three settlers had their debts reduced to \$500 or less. The average reduction in these cases was 53 per cent below the debt owing October 1, 1942, and the total indebtedness after reduction was 45 per cent below the 1941-42 farm values. Adjustments in these 53 cases were related to very poor to mediocre properties where the home or shelter value was the main asset. A further group of 235 settlers in these two Provinces had their debts reduced to \$500-\$1,000. In these cases the average reduction in debt was 38 per cent and the total indebtedness after reduction was 32 per cent below the 1941-42 farm values.

At the other end of the scale 340 settlers in Saskatchewan and Alberta in possession of productive commercial farms had their debts reduced to \$2,000 and over. In these cases the average reduction in debt was 23 per cent and the total indebtedness after reduction was 18 per cent below the 1941-42 farm values.

There were all the individual and group variations with respect to the additional 576 soldier settlers in these two provinces who had their debts reduced and came between the classes above mentioned.

*Progress of Settlers Who Were Granted Debt Reduction Under the Order*

This was the position of the 1,600 soldier settlers who had received debt reduction during the past three years as shown by their ledger accounts (September 30, 1945):—

- 194 settlers had repaid their loans in full and received title;
- 28 settlers had assigned their contracts (sold farm and taken an equity);
- 498 settlers had credit balances against future instalments;
- 671 settlers showed accounts up to date;
- 209 settlers were shown in arrears.

NOTE.—In the period September 30, 1945, to December 31, 1945, a further 31 settlers in the above group have repaid their loans in full and received title to their farms.

---

The following exhibits accompanied Mr. Jones' memorandum:—

- (a) balance sheet, December 31, 1945;
- (b) collection statements—fiscal years, ended March 31, 1943; March 1, 1944; March 31, 1945, and April 1, 1945, to December 31, 1945;
- (c) loans repaid in cash—inception to March 31, 1945, with details by provinces for past six years;
- (d) grading schedule (debt position in relation to 1941-42 farm values) as to December 31, 1941;
- (e) grading schedule (debt position in relation to 1941-42 farm values) as at November 1, 1945;
- (f) annual report Soldier Settlement—fiscal year ended March 31, 1942;
- (g) copy P.C. 10472, November 19, 1942;
- (h) copy P.C. 8346 (1944), March 28, 1945;
- (i) copy P.C. 191/6282, September 28, 1945;
- (j) Dominion summary reductions under P.C. 10472; September 30, 1945.

Mr. Jones was questioned as to the cost of administration upon which some stress had been laid in the briefs of the Soldier Settlers Association. The Public Accounts Report for the fiscal year ended March 31, 1943, showed the total cost of administration, in respect of Soldier Settlement plus in respect of British Family Settlement, was \$571,858 and Mr. Jones said a careful estimate of the present annual cost of administration of Soldier Settlement only is \$135,000.

Mr. Jones stated that the average age of soldier settlers with active loans was 56½ years. (December 1945)

He said that every settler was invited, prior to March 31, 1943, to apply for debt reduction and 1,600 applications have been granted. Of the 203 settlers presently shown to have no equity, the Committee was told that a further recommendation regarding 49 was in hand and that further applications were under consideration.

Mr. Jones expressed the opinion that the recommendation of the Canadian Legion must be taken to mean that the reduction in the interest rate to 3½ per cent be made retroactive to the date of the original contract and that all soldier settlers' accounts be adjusted accordingly; and that all debts so adjusted to within 25 per cent of either the original purchase price or the reduced price (as a result of remedial Acts, including Farmers' Creditors Arrangement Act and P.C. 10472) be cancelled. This would involve:

- (a) an advantage to those with the greatest equity over those settled on marginal land or suffering other handicaps which had prevented them from substantially reducing their debt; and
- (b) substantial repayments to those who have completed their contracts.

Mr. Jones emphasized the improved position of soldier settlers during the past two years by pointing out that 92 per cent of the settlers in all grades have made payments on current instalments and a great number have made substantial prepayments.

With regard to widows of deceased soldier settlers, Mr. Jones said it is the policy of the Department to treat them with every possible consideration. He said widows of deceased soldier settlers are given every opportunity to carry on farming operations with the help of their families and in fact are given every encouragement to do so. Even where they cannot handle the farms themselves they are permitted to lease the land to neighbouring farmers in the hope that the rentals will carry the loan and give them some revenue or increase their equity. It is only where the situation appears absolutely hopeless from all angles that widows are encouraged to sell or abandon their farms.

### *Section 13*

#### BUSINESS AND PROFESSIONAL LOANS

The Interdepartmental Committee on Veterans Affairs examined representations by the Canadian Legion, the National Council of Veteran Associations in Canada to which was attached as an appendix a memorandum by the Toronto Reconstruction Council, the Citizens' Rehabilitation Council, Vancouver, Mr. John C. Thompson of Toronto and Mr. Robert Stennett, Toronto.

The Interdepartmental Committee invited the Canadian Bankers' Association to nominate representatives who would be prepared to appear, if necessary, before a Special Committee of the House of Commons on Veterans Affairs next session and who, in the meantime, would give evidence to the Interdepartmental Committee. As a result the Interdepartmental Committee was advised of the formation of a Committee of the Canadian Bankers' Association on Small-Business Loans to Veterans, composed of Mr. R. H. Turley, Assistant Superintendent of the Bank of Montreal, Montreal, and Mr. R. C. Blundell, Assistant Secretary of the Canadian Bank of Commerce, Toronto, and the Interdepartmental Committee heard Mr. Turley and Mr. Blundell who were accompanied by Mr. A. W. Rogers, Secretary of the Canadian Bankers' Association. The Interdepartmental Committee also examined Mr. J. H. Hogan, Acting Director, War Service Grants Act, Department of Veterans Affairs.

The Committee scrutinized also such informative material to which they were able to gain access, touching upon similar legislation in other countries and facts and opinions relating to the propriety of a loan plan for Canadian veterans.

Representations of the Canadian Legion contend that the Canadian rehabilitation program can only reach ultimate success if a condition of full employment can be maintained in peacetime and that there is a general conviction that small enterprises must be set up in every part of Canada as a necessary contributory factor to that end. The Legion recommends:

- (1) The use of the Industrial Development Bank Act to finance veterans to enter small businesses.
- (2) That the government develop a policy of fostering small enterprises, furnishing research, technical advice and assistance to enter foreign trade, and generally make available to small business what big business because of its large resources can furnish for itself.



The Legion asserts that if private enterprise is to succeed in this country then there is a need to develop more employers, to find jobs for job seekers, and the development of small businesses is one way to accomplish this.

- (3) That the Industrial Development Bank Act be amended to provide such a service to veterans and that the necessary machinery be set up to provide the services referred to in recommendation (2).

The National Council of Veteran Associations in Canada is strongly impressed with the desirability of maintaining and encouraging the small business in the Dominion's economic scheme and takes the view that opportunity should be given veterans anxious to enter this field on a basis reasonably equivalent to those who avail themselves of the benefits of training or settlement under The Veterans' Land Act.

The brief of the Toronto Reconstruction Council finds that one-quarter of the Canadian urban population make their own living from their own businesses and, with the definition that a small-business establishment employ less than fifteen workers, there were 161,000 small businesses in Canada in 1941 representing 94 per cent of the total number of the manufacturing, wholesale and retail businesses. The brief visualizes the re-establishment of small enterprises as playing an important part in providing employment and contributing to the strength of the Canadian economic structure by means such as:—

- (1) Provision of immediate post-war employment of worthwhile proportions through absorbing manpower directly, and through demands for materials and products requiring the employment elsewhere of manpower for their creation;
- (2) Provision of permanent and continuous employment as distinct from temporary employment on Government projects;
- (3) Provision in many cases for employment of otherwise unemployables among partially disabled veterans.

The Toronto Reconstruction Council brief proposes that the Federal Government make provision for the establishment or re-establishment of veterans in small-business enterprises through a Veterans Small-businesses' Act by which the Government would provide a limited guarantee to encourage the lending of money by the commercial and banking institutions of Canada for such purposes. The brief recognizes the local bank manager and the credit managers of commercial companies as excellent judges of the need for an enterprise in their community and the qualities of the individual essential for success. The plan would provide:—

- (1) That any man or woman, an ex-member of the armed forces during the present conflict who has volunteered for active service, be eligible for benefits;
- (2) That any bank or other creditor may accept or refuse any loan or extension of credit to any such borrower;
- (3) That an investment must be made by the applicant of part of the capital required. Arrangements should be made for gratuity payments to be commuted for this purpose, if necessary;
- (4) That the government make a grant equal to the amount provided by the applicant on a low interest rate, long-term amortization basis;
- (5) That in case of default the government rank, with respect to their grant, as an ordinary creditor;
- (6) That a suitable maximum limit be set as to the amount that can be borrowed;

- (7) That a guarantee of 10 per cent of any loans made by the bank be provided under the Act. This amount would be extended as a guarantee to the bank and would be 10 per cent of the amount originally extended and be payable to the bank in the event of default and bankruptcy proceedings;
- (8) That the bank maintain its present provisions with respect to securing assignment of assets for support of such credit;
- (9) That a statement of the amounts to be borrowed under this Act be filed with an appropriate officer of the Department of Veterans Affairs and the approval of this department be secured before loans are granted under the Act;
- (10) That the Canadian Credit Men's Trust Association be asked to set up committees to provide a counselling service and to advise the officers of the Department of Veterans Affairs, and to make available their facilities with respect to solvency of small businesses which borrow money under the Act;
- (11) That, where advisable, vocational training be introduced before any such loans are made to any applicant, such vocational training to include a knowledge of accounting and business practices.

The brief outlines a suggested procedure for making a loan and states:—

In the event of default the ordinary procedures will then be followed, but the bank will have a guarantee for an amount stated in the original form of approval, and the other creditors, including the Government with respect to its original grant, will rank equally as ordinary creditors.

The Citizens' Rehabilitation Council, Vancouver, recommends that consideration be given to applications of veterans qualified to establish their own businesses for a loan possibly equal to their own investment; such loans to be granted with requirements similar to those by any lending institution as to the character of the person and the proposed enterprise and its need or possibilities in the community.

Mr. J. C. Thompson states that he is taking the Institutional Management Course at the University of Toronto to assist in the management of a summer resort or camp, that approximately 150 boys are taking the course and about half of them expect financial assistance from some government source, preferably on the same basis as under The Veterans' Land Act. Mr. R. Stennett, with extensive hotel and catering experience, urges similar assistance.

The representatives of the Canadian Bankers' Association discussed generally the practice of giving loans for small businesses, being businesses requiring capital not exceeding \$3,000, and the loan repayable in eighteen months (in exceptional instances two years) usually at an interest rate of 6 per cent. The bankers stated that the main considerations in determining the propriety of a loan were experienced in the particular type of business, opportunity for that type of business in the particular locality, amount of capital, and character of the applicant. Service experience in trades would be taken into consideration. They said that it was impossible to lay down any hard and fast rule as to the expected amount of equity in the capital investment; this depended upon the nature of the business and the individual bank manager's judgment as to the applicant's capabilities. The witnesses emphasized that too small a stake greatly lessened a borrower's chances of ultimate success, not only because of the drain on income necessitated by regular repayments of capital but, of possibly greater importance, because of the relative lack of incentive to protect his own money. The bankers stated emphatically that wherever, in the opinion of the local bank manager, the applicant had ability, experience, character,

business prospects and sufficient capital to give him a fair chance of success, credit would always be extended.

The witnesses claimed that the banks never refused applications from "credit-worthy" borrowers, that in their judgment a Government guarantee would not greatly improve the borrower's chances and that there was no great demand or need in Canada for assistance; however, they were unable to give any estimate of the number of applications declined because of lack of capital and they undertook to conduct a survey of representative branches throughout the Dominion and, within a few weeks, to furnish their findings as to

- (a) Volume and class of loans presently being made to veterans;
- (b) Any evidence of veterans being unable to obtain credit;
- (c) The reasons for credit being refused.

The bankers stated that under normal conditions one-seventh of all business enterprises failed every year and of these one-half represented an investment of less than \$2,000, four-fifths of less than \$5,000.

The bankers referred, from time to time, to information available from the United States. They quoted a report on an industrial survey made in New York State which estimated that a minimum of \$5,000 capital was required to establish a small grocery and the minimum of \$10,000 a laundry. An opinion was expressed in the same report that a man starting any type of small business should have sufficient capital to give him an equity of at least 50 per cent, preferably 75 per cent. They also pointed out that in the first four months after the promulgation of the regulations governing loans to veterans in the United States there were only 489 applications of which 289 were granted in a total amount of \$321,000. (This period covered the first four months of 1945—see later information filed by Mr. Hogan.)

The bankers observe that very few applications had been received from professional men starting practice and in such cases personal loans were usually granted.

Mr. J. H. Hogan administers the release of Re-establishment Credit and, in pursuance of those duties, has had direct contact with the veteran belonging to the group on whose behalf the foregoing representations are made. The Interdepartmental Committee, therefore, sought the advice of Mr. Hogan as a public officer close to the problems of the veteran desiring to establish a small business.

Mr. Hogan explained the procedure followed by his field man in dealing with an application under Section 9 (g) (purchase of a business) of The War Service Grants Act. The veteran is interviewed by the District Supervisor of Re-establishment Credit and advised as to the data required to reach a decision on his application. These data would normally include evidence as to service in the forces, experience in the type of business proposed and an accurate outline of the proposed plan to finance the undertaking. This material, and when necessary the veteran himself, is referred to the District Re-establishment Credit Advisory Committee established pursuant to the provisions of Order in Council P.C. 165 of the 18th January, 1945.

The average Advisory Committee is composed of one or more leading business men, a retired or active bank manager and a professional man; the Secretary is furnished from the staff of the District Re-establishment Credit section. If the recommendation of that Committee is favourable, the Re-establishment Credit is released as the veteran has already made any necessary arrangements with a lending institution.

Mr. Hogan pointed out that a favourable recommendation by the Advisory Committee did not necessarily follow approval of a loan by the bank as the Advisory Committee, having access to service and other record, might find the man unsuitable from a health standard for the enterprise which he proposed.



On the other hand, if the veteran had insufficient cash assets and the bank declined a loan, the Advisory Committee had no alternative but to find that the project did not warrant release of Re-establishment Credit even although the Advisory Committee was impressed with the prospect.

In this connection, Mr. Hogan mentioned a lively demand for such proposals as tourist camps and the trucking business, and it has been his experience that the veteran encountered difficulty in financing these types of projects. Mr. Hogan felt that there was an appreciable unsatisfied demand throughout the Dominion for loans to supplement credit and other cash assets and he undertook to obtain from his field men accurate data in this regard. He informed the Interdepartmental Committee that at January 31, 1946, applications for Re-establishment Credit for the purchase or establishment of a business numbered 982 of which 522 were granted amounting to approximately \$248,000. The applications granted represent a figure 0.6 per cent of the total applications granted for all purposes.

As to the arrangements in other countries, Mr. Hogan drew attention to the legislation of Australia permitting a loan up to £250 with no statutory time limit for repayment, of New Zealand up to £500 with interest at  $4\frac{1}{8}$  per cent with no statutory time limit for repayment, and of South Africa up to £1,250 with interest after five years at 4 per cent and a maximum time limit of fifteen years for repayment. In the United States, the Government gives the bank on an individual loan basis a guarantee up to 50 per cent of the loan or \$2,000, whichever is the less; the rate of interest must not exceed 4 per cent per annum, the loan must be payable in full within twenty-five years, and the Government pays the interest for the first year on the part of the loan which has been guaranteed.

### *Section 14*

#### ARMY BENEVOLENT FUND

The Interdepartmental Committee on Veterans Affairs examined representations made by the Canadian Legion regarding the disposal and administration of canteen and similar funds held by the government to the effect that a national board of trustees be set up for this purpose and provincial boards be established in each province to which the national board would make advances of funds from time to time for distribution as required. The Committee also examined representations made by the Citizens' Rehabilitation Council of the City of Edmonton that surplus canteen funds should be made available for Army personnel who are in indigent circumstances in a similar manner to that in which funds of the Naval and Air Force benevolent funds are made available for indigent members of their respective services.

The Committee is informed that both Navy and Air Force make use of canteen funds for the above purpose, the former by outright grants from service canteens to the Navy Benevolent Fund and the latter by a levy of 1 per cent of the gross sales of canteens overseas, and the RCAF share of profits paid into the Auxiliary Services Fund. These two items are allotted to the RCAF Benevolent Fund.

So far as Army is concerned, the following letter received from the Deputy Minister of National Defence (Army) is quoted verbatim:—

## DEPARTMENT OF NATIONAL DEFENCE

## ARMY

HQs

OTTAWA, 13 Mar 46

Chairman,  
Interdepartmental Committee, Veterans Affairs,  
Ottawa.

DEAR SIR,—Reference is made to the representations placed before the Special Parliamentary Committee on Veterans Affairs at the last session of Parliament in connection with the distribution of Army funds now in the possession of the Government and the establishment of an Army benevolent fund similar to those operated by the RCN and RCAF. It is understood that these representations recommend:—

- (a) that a National Board of Trustees be set up to administer the funds now available in Canada and to lay down the general lines upon which the distribution of funds shall be carried out.
- (b) that surplus Canteen Funds should be made available for Army personnel who are in indigent circumstances.

For your information as of 13 Mar 1946 the sum of \$2,175,661 is held in a central trust fund under the Comptroller of the Treasury, being mostly proceeds of Auxiliary Service Organizations, NAAFI and interest. The various Services' quotas of the above amount are as under:—

Army .....	\$2,055,001 17
Navy .....	61,558 52
Air Force .....	58,733 73
Safe Keeping .....	367 93
	<hr/>
	\$2,175,661 35

In addition to the above, the Regimental Funds Board holds in trust from disbanded units a sum of \$710,970 to which should be added a further remittance in transit of \$340,453, making a total in this fund of \$1,051,423. This total represents monies turned in by Units of the Canadian Army at the time of disbandment and is made up of Regimental Funds, Officers' and Sergeants' Mess Balances and Men's Canteen Balances.

This Department has at present no authority to disburse either of the above funds but the matter of their disposal including the provision of a fund designed to provide assistance to Servicemen, ex-Servicemen and their dependents where warranted has for some time been the subject of serious consideration by the appropriate officers. An early recommendation is expected.

Yours very truly,

(Signed) B. B. CAMPBELL,  
*for Deputy Minister (Army)*

Apropos of Army's contention that no authority exists for the disbursement of these funds, the Interdepartmental Committee invites attention to the following extract from pages 15 and 16 of the Auditor General's Report, 1945, dealing with the R.C.A.F. Benevolent Fund:—

48. On July 14, 1934, the Senior Air Officer of the R.C.A.F. authorized a benevolent fund to be established for the benefit of R.C.A.F. personnel and their dependents. Three Service trustees were named in 1937 to administer the fund, which then amounted to \$8,292.46. The trust agreement prohibited any distribution of principal. An Air Force Order of October 31, 1941, directed contributions to be credited to the benevolent fund from the following sources: (a) a percentage of the net proceeds of sports events and motion picture shows, (b) collections made at divine services, (c) net proceeds of annual air displays and visitors' day, (d) 1 per cent of the gross sales of canteens and messes, (e) R.C.A.F. share of profits paid into Auxiliary Services Fund, (f) proceeds from Navy, Army and Air Force Institutes, and (g) subscriptions or contributions from friends of the R.C.A.F.

49. During the 1942 session of Parliament a Committee of the House of Commons inquired into Service Canteens and in its report is to be found:—

Your Committee has examined the Air Force Administrative Order of the Royal Canadian Air Force Benevolent Fund and has noticed that neither officers nor other ranks now serving in the Royal Canadian Air Force will be eligible after discharge for assistance from the fund. This fund was started in peace time with the very laudable object of assisting Air Force personnel while in the service. However, with the great increase in numbers many Air Force canteens having large gross sales have been established. Should the war continue for a few years longer and should one per cent of the gross sales continue to be paid to the Benevolent Fund, it is certain that a very substantial sum will have accumulated — a sum much greater than is likely to be required for the benevolent purposes of even a greatly enlarged peace time air force. It is not fair to take a portion of the gross sales from the canteens which are now being patronized by those who are not likely to be in the Force after the close of hostilities unless they will be entitled to the same benefits from the fund as those who remain in the Force. Your Committee, therefore, recommends that no further payments be made to the R.C.A.F. Benevolent Fund until it is provided that all ranks now serving in the Royal Canadian Air Force will be eligible for the benefits both during service and after discharge.

50. Steps were taken to create a corporation under Part II of the Dominion Companies Act. The applicants for letters patent were the Deputy Minister of National Defence for Air, 3 civilian officers of the Department, 9 Service Officers and the following: the Honourable A. P. McNab, Regina, Mr. Justice Savard, Montreal, and Messrs. C. L. Burton, Toronto, H. E. Sellers, Winnipeg, R. P. Bell, Halifax, Clarence Wallace, Vancouver, James Walker, Edmonton, D. L. MacLaren, Saint John, N.B., and H. C. Bourke, Charlottetown. Letters patent issued on April 1, 1944, for a corporation to be administered by 15 directors (since increased to 20). The membership is limited to 100 persons who are nominated by the Board of Directors. The letters patent empower the corporation (a) to succeed to and take over the assets held by the trustees of the Benevolent Fund, (b) to receive gifts, grants or donations, (c) to invest and administer the moneys, and (d) to expend all or any moneys received or held by the corporation, both principal and interest thereon, to relieve distress and promote the well being of members or ex-members of the Royal Canadian Air Force or of their dependents and for the costs of the administration of the affairs of the corporation.



51. Prior to the issue of letters patent, the Secretary of State intimated that they would issue only on receipt of an opinion of the Deputy Minister of Justice that the issue would effectively terminate the trusteeship of the existing trustees. On November 25, 1943, the Deputy of Justice wrote:—

It will be necessary in addition to the incorporation to make provision whereby the funds will be transferred from the present trustees to the corporation and relieving the trustees from liability in connection with such transfer. I am advising the Department of National Defence for Air that to do this it will be necessary to obtain an Act of Parliament or to pass an Order in Council under the War Measures Act.

To implement this, Order in Council P.C. 4770 of August 16, 1944, authorizes the Minister of National Defence for Air, after audit of the trustees' accounts, to direct

the said trustees to assign, transfer and make over all moneys, valuables and assets of the said fund to the corporation . . .

The Order in Council further directs:—

That the said corporation be and is hereby empowered, upon all said moneys, valuables and assets as disclosed by the said report of the said auditor being transferred to the corporation, to give to the said trustees receipts therefor;

That upon the said receipts being given to the said trustees they shall be forthwith and forever discharged from all or any liability in respect of the said moneys, valuables or as sets or in respect of their management thereof or otherwise as said trustees aforesaid;

That, notwithstanding anything contained in the said trust agreement, the corporation shall, upon the said moneys, valuables and assets being transferred to it, thereafter hold and, in its discretion, expend the same for the objects for which the said corporation is constituted, subject always to the said The Companies Act, 1934, the said letters patent and the by-laws of the corporation.

The amount transferred was \$610,885.55.

52. The desirability or otherwise of creating a corporation is not a matter of audit concern. Attention is drawn to the matter for two reasons:—

- (a) some of the sources from which the moneys were derived point to the conclusion that receipts should have been credited to Consolidated Revenue Fund;
- (b) there is no clear authority which permits the Governor in Council to give the directions he has with respect to the moneys.

### *Section 15*

#### GALLANTRY AWARDS WORLD WAR I

The Interdepartmental Committee on Veterans Affairs examined representations addressed to the Right Honourable the Prime Minister on January 17, 1946, by Mr. Gordon R. Bailey, Organizing Secretary, Servicemen's Own Services, Prince George Hotel, Toronto.

The representations applaud the legislation granting the payment by Canada of the sum of \$100 to recipients of the Military Cross and Military Medal during World War II and urge that such payment be made to veterans who won these awards during World War I.

The facts of the situation concerning monetary payments to recipients of gallantry awards are as follows:—

Gallantry awards in respect of World War I which were accompanied by a monetary payment by the British Government were:

- Victoria Cross
- Military Cross (Warrant Officers only)
- Distinguished Flying Cross (Warrant Officers only)
- Distinguished Conduct Medal
- Distinguished Flying Medal
- Conspicuous Gallantry Medal

The British Government continued to make payments in respect of the same decorations and medals during the first part of World War II but, by Order in Council 4736 of June 17, 1943, the Canadian Government assumed the obligation for all monetary payments accompanying gallantry awards to members of the Canadian forces since the commencement of World War II.

In October, 1945, the Canadian Government was advised by the British Government that monetary awards would be paid to recipients during World War II of the following:—

- Distinguished Service Medal
- Military Medal

With the exception of the Victoria Cross, which carries an annuity of £10 a year with an additional annuity of £5 a year for each bar awarded, all the decorations and medals named, or bars thereto, carry a gratuity of £20. The equivalent in Canadian currency is computed at the rate: £1 = \$5.

The foregoing payments (other than for the Victoria Cross) are made to a veteran discharged from the forces without a disability but, if a pension is awarded, the gratuity of \$100 is not paid but in lieu thereof an award at the rate of 12½ cents a day is computed and paid semi-annually. Payment of annuities, gratuities, or additional pension is authorized by the Canadian Pension Commission on notification of particulars by the Director of Records.

The number of Canadians who received the Military Medal in respect of service in World War I is:—

Military Medal. . . . .	12,041
Bar to Military Medal. . . . .	838
Second Bar to Military Medal. . . . .	37

No record could be found by the Interdepartmental Committee of the number of Canadians who received the Distinguished Service Medal in respect of service in World War I.

*J. Doc*  
*an*  
*ign*  
*241*  
*Xc2*  
*4 tV21*  
*Canada, Veterans Affairs, Special Committee No. 1946*  
SESSION 1946

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

Thursday, March 28, 1946

## WITNESSES:

Mr. G. A. McIlraith, M.P., Parliamentary Assistant to the Minister of Reconstruction;  
Mr. W. S. Woods, Deputy Minister of Veterans Affairs;  
Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act;  
Mesdames M. Wainford, J. Johnston, L. Whitworth, E. Darville, A. Coiner, D. Lowther, K. Blenman, L. Caunt, H. Hickey and M. Evans, representing Canadian Non-Pensioned Veterans' Widows.

OTTAWA

EDMOND CLOUTIER

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1946





## MINUTES OF PROCEEDINGS

THURSDAY, March 28, 1946.

The Special Committee on Veterans Affairs met at 11.00 a.m., the Vice-Chairman, Mr. J. A. Blanchette, presiding.

*Members present:* Messrs. Archibald, Baker, Benidickson, Bentley, Blanchette, Cleaver, Cockeram, Croll, Cruickshank, Emmerson, Fulton, Gillis, Green, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Kidd, Lennard, Marshall, Mackenzie, MacNaught, Merritt, Moore, Mutch, Power, Probe, Quelch, Sinclair (*Vancouver North*), Skey, Tucker, Viau, White (*Hastings-Peterborough*), Winkler, Wright.

*In attendance:* Mr. G. A. McIlraith, M.P., Parliamentary Assistant to the Minister of Reconstruction; Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act.

Mr. Mackenzie made a statement outlining the work of the Department of Veterans Affairs, reporting on the action taken during the recess with regard to the recommendations made by the Committee last session, and forecasting the agenda for the present session.

Mr. McIlraith made a statement regarding the extension of "B" priorities on motor vehicles to veterans and was questioned thereon.

It was agreed that Messrs. J. H. Berry, President, and E. R. Birchard, Vice-President in charge of Merchandising, War Assets Corporation, be heard on Friday, March 29.

The Chairman informed the Committee that the Canadian Non-Pensioned Veterans' Widows were meeting in Ottawa at the present time and, after consultation with the Steering Committee, he had acceded to their request to be heard this afternoon at 2.00 o'clock.

At 1.15 o'clock p.m., the Committee adjourned until 2.00 o'clock this afternoon.

### AFTERNOON SITTING

The Committee resumed at 2.00 o'clock p.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Bentley, Brooks, Cockeram, Croll, Cruickshank, Drope, Emmerson, Green, Harkness, Herridge, Isnor, Jutras, Kidd, Lennard, Marshall, Merritt, Moore, Mutch, Quelch, Sinclair (*Vancouver North*), Skey, Tremblay, Tucker, White (*Hastings-Peterborough*), Winkler, Wright.

*In attendance:* Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mrs. M. Wainford, Verdun, Que.; Mrs. J. Johnston, Verdun, Que.; Mrs. L. Whitworth, Toronto, Ont.; Mrs. Ethel Darville, Vancouver, B.C.; Mrs. A. Coiner, Winnipeg, Man.; Mrs. D. Lowther, St. Vital, Man.; Mrs. K. Blenman, Hamilton, Ont.; Mrs. L. Caunt, Toronto, Ont.; Mrs. H. Hickey, Toronto, Ont.; Mrs. M. Evans, Toronto, Ont., representing Canadian Non-Pensioned Veterans' Widows.

The Chairman presented a report from the Steering Committee reading as follows:—

Your Steering Committee met on Tuesday, March 26, and recommends that the following matters be considered in the order named:—

1. A Bill to amend the Veterans' Land Act, 1942;
2. A Bill relating to Fire Fighters and Supervisors in the Auxiliary Services;
3. A Bill to amend the Soldier Settlement Act;
4. A Bill to extend the benefits of veteran legislation to Canadian ex-members of the W.R.N.S.;
5. A Bill to amend the Pension Act.

On motion of Mr. Quelch, the report of the Steering Committee was concurred in.

Mrs. Wainford was called, heard and questioned.

Mrs. Johnston, Mrs. Whitworth and Mrs. Darville were called, heard and retired.

Mrs. Wainford retired.

On motion of Mr. Green, it was ordered that the travelling expenses of the delegation appearing before the Committee this day be paid.

At 3.00 o'clock p.m., the Committee adjourned until Friday, March 29, at 11.00 o'clock a.m.

A. L. BURGESS,

*Clerk of the Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

March 28, 1946.

The Special Committee on Veterans Affairs met this day at 11.00 a.m. The Vice-Chairman, Mr. J. A. Blanchette, presided.

The Hon. Mr. MACKENZIE: Gentlemen, Mr. Tucker is assisting a sub-committee of the Cabinet, working on the problems we have before us. I know that you will excuse him. I expect he will be here in a few minutes. In the meantime we will ask Mr. Blanchette to carry on; with your consent.

Mr. Blanchette, Vice-Chairman, took the Chair.

The VICE-CHAIRMAN: Gentlemen, we will declare the meeting open. The first question on our agenda is the remarks from the Minister.

Hon. Mr. MACKENZIE: Mr. Chairman and gentlemen, at the outset of these deliberations of this committee I feel it may be helpful if I follow the precedent of last year and give you a broad and general picture of the situation in the Department of Veterans Affairs with regard both to our administrative experience and the legislation with which you are more particularly concerned by the terms of reference from the House. I believe that you will be better able to understand the significance of the proposed legislation if I first give you an outline of the work which the Department of Veterans Affairs has carried out during the past year or so.

The administrative problem confronting the Department of Veterans Affairs is not measurable by statistics, but some figures help to appreciate its magnitude. To this department has been assigned the responsibility of administering rehabilitation services for all former members of the armed forces.

When war broke out we had an organization of respectable proportions providing hospitalization and medical care for veterans of the First Great War, and administering the payment of pensions and war veterans allowances. We were caring for approximately 2,600 patients in our eight hospitals and our annual pension bill was approximately \$40,000,000. We were not over-staffed.

When I came into the department in 1939, I found the officials were working under fairly high pressure in order to keep pace with the business arising out of the former war. With a degree of forethought, for which I hope we may be commended, we began without delay strengthening the organization for the increased responsibilities arising from the new war and planning a program of rehabilitation legislation so that we might be in readiness when hostilities should cease.

We revised the Pension Act in 1941.

The basic rehabilitation measure, which has become well known as the Post Discharge Re-establishment Order, was passed in the fall of 1941.

We appointed our associate deputy minister in charge of rehabilitation in 1941.

The Veterans' Land Act was passed in 1942.

Periodically during the war we amended our treatment and other regulations in accordance with ever-changing requirements. The Department of Veterans Affairs has some degree of responsibility for every man and woman who entered and was discharged from our armed forces.

The number of enlistments and enrolments up to V-J Day was 1,104,225. On V-E Day, less than a year ago, the number who had been discharged to civil life was 240,782. According to the most reliable figures which I have been

able to obtain from the defence departments the number who had been discharged to civil life, up to March 1 this year, was 740,579. That means that in the past nine months no fewer than 500,000 men and women have become entitled to some measure of assistance from the Department of Veterans Affairs.

Each one of those 500,000 represents a separate and distinct personal problem. We may refer to them as statistics, but the problems which they present to my department are not capable of being solved by mass production methods. Each is a separate individual with his own personal aspirations, ambitions and problems.

The officers of my department are responsible for providing medical and hospital services for those of them who are wounded or in ill health, or who require even such a relatively minor measure of assistance as the filling or extraction of a tooth.

Officers of my department are responsible for assessing the disabilities which have arisen from military service and for awarding and paying the appropriate rate of pension.

Other officers of my department are responsible for administering certain measures of assistance to those who wish to acquire farms and settle upon the land, either in full scale farming or upon small holdings.

We are responsible for advising the veterans as to their own fitness for farming and as to the suitability of the land in which they are interested.

Other officers of the department are responsible for arranging the continued education of those younger members of the forces whose training for the careers of their choice was interrupted by the call to arms. This has involved a great deal of direct personal advice to many thousands of individual veterans and it has involved the organization and re-organization of schools, colleges and other training centres necessary to meet this abnormal number of adults entering the educational and vocational training field.

While the Department of Veterans Affairs does not directly administer the National Employment Service the officials of my department are called upon to advise discharged members of the forces with regard to their employment prospects and to give a great deal of counsel and advice in that regard. Our contact with the employment offices is of the most intimate character and requires an infinite amount of detailed attention.

Veterans who contemplate going into business are entitled to several kinds of assistance from the Department of Veterans Affairs, and each individual case requires the most careful attention and exercise of a high order of discretion.

While the Department of Veterans Affairs has not been charged with the responsibility for the provision of housing we are in daily intimate contact with the pressing requirements of veterans in re-establishing their homes through the administration of re-establishment credits which may be used by the veterans in acquiring homes, in alterations and repairs to their homes, and in the acquisition of furniture and equipment for their homes. We have even made a modest contribution to the total amount of housing in the country by building 2,700 new houses during the past year on suburban properties.

The task of training, and equipping, and housing more than a million persons in the armed forces for the great variety of duties involved in a modern mechanized fighting force was a tremendous task which was carried out by this country in a manner that earned the commendation of the whole world. That task was simplicity itself in comparison with the problems that confront the department which has been assigned the responsibility of administering rehabilitation services.

The men whom we are serving are civilians, not subject to regimentation or to any form of control. They are free British subjects. Instead of being directed into predetermined channels each is now free to follow his own bent, and he comes to us for the assistance which parliament has authorized, and which the



great, generous heart of Canada has decided shall be given. The task of giving expression to this national determination and policy devolves upon the individuals who constitute the staff of the Department of Veterans Affairs.

When war broke out in September 1939, our staff numbered 2,061. On June 30, 1945, a date corresponding roughly to the end of the war in Europe that staff has been increased to 7,719. By March 1, 1946, we had absorbed another 4,000 into our staff which on that date numbered 11,968. The male members of our staff are all former members of the forces and, to the extent that they have been available, former members of the women's Forces have been engaged in those positions which are especially suitable to women. The department deliberately refrained from expanding its staff too rapidly in order that a majority of the key positions might be filled by members of the forces who had taken part in the present war.

Our legislation was drafted by veterans; it has been reviewed by members of the House of Commons who are veterans; and it is being administered by veterans.

In so vast an organization as ours dealing with the individual and personal problems of three-quarters of a million persons it is inevitable that some misunderstandings and difficulties shall occur. Possibly some of these complaints are justified, but, when so, there are always senior officers reaching up to the deputy minister and the minister who are glad to lend their good offices towards straightening out difficulties. On the other hand among so great a number of veterans there are bound to be others who seem to expect just a little more than our officers with the best of good will are able to perform.

As the members of this committee must already have observed last session, and as the whole history of amendments and revisions of our legislation reveals, where fundamental shortcomings in the legislation and regulations are brought to light by these complaints and protests there has been a willingness to meet the problem by amendment.

I believe that the members of this committee understand and appreciate the magnitude and difficulty of the problem, but one recognizes that it is often difficult for the individual to accept the disappointment of an adverse ruling upon his particular request or proposal.

Arising out of this situation I have observed a recent tendency towards inferring that, while our legislation is admittedly the most advanced and comprehensive in the world, the administration is not quite all that it should be. One hears such terms as "bogged down", "callousness", "red tape", "unnecessary delays", and so on. I am glad to note that members of this committee with the unique opportunity they have had of meeting the officers of the department and studying our legislation closely have not associated themselves with this type of criticism. In so far as it may be directed against myself I have no serious complaint. In public life we expect that sort of thing. But I do feel that to the extent that it is directed against the officers of the department I have a responsibility to speak out on their behalf. Every male member of the staff of the Department of Veterans Affairs is himself a war veteran.

Last summer the deputy minister and one of his senior officials accompanied me to Britain and Holland, along with representatives of the Civil Service Commission, for the purpose of recruiting the best brains in the army, navy and air force overseas for approximately one thousand positions in my department, I am sure that no thoughtful person realizing these facts would repeat the suggestion that men of this calibre are callous or are going to permit themselves to become bogged down in red tape. And I am here to say that any such impression would be wide of the mark.

In the next few minutes I purpose going through the various branches of the department to show you by actual facts and figures the tremendous task that these veterans in our veterans department are performing for veterans.



Let me remind you again that in the past nine months half a million men have been discharged in Canada, and everyone of them has had to be interviewed and given some measure of assistance by the Department of Veterans Affairs. And I may add that the file of letters which have come to me and other senior officers of the department from veterans and their families paying tribute to the courtesy and efficiency of our district officials has attained gratifying proportions.

### HOSPITALS AND MEDICAL SERVICES

When war broke out the department had 8 hospitals and about 2,600 patients. On March 9, 1946, the department was operating 34 hospitals with a capacity of 12,033 beds. During the past six months alone the department has taken over from the armed services 10 hospitals representing 3,200 beds. These have been staffed and they are now being conducted as Department of Veterans Affairs hospitals.

The number of patients in departmental hospitals on March 9, 1946, was 9,977; so that notwithstanding the great increase we had 2,056 vacant beds scattered all across Canada in our hospitals on that date available for new patients.

Fears have frequently been expressed that our hospital construction program would not be able to keep pace with the flow of casualties. We have been close to the border once or twice, and we have had undesirably crowded conditions in certain wards of certain hospitals for short periods. I am glad to be able to say, however, that there has been no time at which we were unable to find accommodation for all the patients claiming our services despite the extraordinary difficulties that have surrounded new construction in the past few years.

The number 9,977 does not represent by any means the total number of patients on our departmental strength. We have an additional 4,206 in other hospitals with which the department has contracts. I believe that ever since its inception the department has followed the practice of maintaining contractual relations with all the principal general hospitals throughout the country in order that patients may be cared for when necessary in hospitals adjacent to their own homes.

These two numbers give us a total of 14,183 in-patients on the departmental strength. But this again tells only a part of the story of the services rendered by our medical department.

The rehabilitation program which has been developed during the war provides that all discharged members of the forces are entitled to free medical care and hospitalization for any disability or condition, whether caused by service or not, within the first twelve months subsequent to discharge.

There has also been a recent broadening of the treatment regulations by which all former members of the forces who have been pensioned or who saw service in a theatre of actual war are entitled to free treatment if they are unable to provide it at their own expense. A rough yardstick of measurement is whether or not the veteran has an income of \$100 a month.

Then again when casualties are discharged from hospital they are often still unfit to resume active life and work. In such cases there is a provision for out-patients allowances, and for periodical reports to our medical officers for treatments which do not require permanent tenancy of a hospital bed.

These three circumstances have tremendously increased the out-patient services rendered by the department. In January, 1945, the number of out-patient treatments given was 34,229. In January of this year the number was 85,759, an increase of approximately 150 per cent in a single year.

Reverting to our patient strength the number of out-patients receiving regular treatments on March 9th was 7,980. Thus the total number of patients for whom our medical staff was responsible was as follows:—

1. In departmental hospitals .....	9,977
2. In other hospitals .....	4,206
3. Out-patients .....	7,980

Total .....	<u>22,163</u>
-------------	---------------

An index of the way the department has met the increased need for treatment we employed in October, 1945, 148 full-time medical officers and 252 part-time medical officers. On March 1st, 1946, we had 368 full-time medical officers and 402 part-time medical officers.

In coping with the great increase in work thrown upon the Department of Veterans Affairs following the full scale entry of the Canadian army into active fighting in the middle of 1944, it was found desirable to effect a substantial degree of reorganization in our medical services. Partly to cope with the scarcity of medical practitioners arising from the recruitment of large numbers into the armed forces and partly to bring into our hospitals the leading specialists in all branches of surgery and medicine the department instituted a system of co-operation with the great medical schools in our Canadian universities. This policy has unquestionably raised the quality of the treatment available to Canada's war casualties and it has proved a highly beneficial measure in the rehabilitation of young medical men leaving the forces and returning to private practice. This latter benefit derives from the fact that young medical men can now serve their internship in veterans' hospitals while taking post-graduate work.

Many of the part-time medical officers to whom I have referred are young, newly discharged members of the forces setting up in private practice while continuing to serve wounded and sick veterans.

Another policy connected with the reorganization is the provision that patients entitled to treatment by the Department of Veterans' Affairs may now consult their own family physicians wherever they may be. Hitherto those receiving treatment at the department's expense were restricted to certain doctors who received appointments from the department for this purpose.

This new plan has involved close co-operation with the Canadian Medical Association, and has resulted in placing the entire medical profession of Canada at the service of veterans. With the enormous increase which has taken place in our hospital population, it has been found desirable to develop specialized institutions for certain types of patients. It has long been regarded as desirable that patients suffering from tuberculosis should be cared for in special sanatoria rather than in general hospitals. It has been the policy of the department for many years to arrange for the treatment of veterans suffering from tuberculosis in existing provincial sanatoria which, it will be remembered, were very greatly augmented by dominion government subsidies during the first great war. Our medical advisers still consider that the provincial sanatoria provide the best possible treatment for veterans. However, the number requiring treatment has proved to be greater than the available capacity of the sanatoria, and the department has established several tuberculosis hospitals of its own. Three—at Lachine, Cornwallis and St. Hyacinthe—were taken over from the services. The D.V.A. hospital at Peterborough is being used entirely for tuberculosis, and a special unit has been built on the site of Shaughnessy Hospital, Vancouver, for this type of case. Close liaison with the provincial sanatoria and our own hospitals is maintained so that patients who may require special facilities available only in the highly developed provincial institutions can readily be transferred.



The new Health and Occupational Centre at Ottawa is now functioning with some 200 patients. Excellent physical medicine facilities, including a swimming pool, physiotherapy and occupational therapy, are provided in separate buildings in order that ex-service men may be assisted to the highest point of mental and physical fitness for their return to civil life. Due to the existing difficulties in new construction which surrounds the development of four or five other such centres, the work is being carried on in other parts of the country in three institutions taken over from the army. The total accommodation in our existing Health and Occupational Centres is approximately 1,000. As soon as the specially designed institutions under construction are completed, the premises taken over from the army will be closed. Nevertheless, excellent work is being accomplished in all of them.

Two other special hospitals are the modern institutions for the treatment of neuropsychiatric cases and the beautiful Lyndhurst Lodge in Toronto for the care of paraplegics.

### PENSIONS

I now wish to say a word about pensions. When I tell you that the total number of pensions in force arising out of the recent war is 48,484, and that the annual liability with respect to these awards has attained a total exceeding 22 million dollars, you will have some appreciation of the volume of work which has been transacted by the Canadian Pension Commission in the past six years. A more graphic illustration of the pressure under which they have worked is contained in the awards made during the past twelve months. On January 1, 1945, the number of World War II pensions in effect was 21,955. On January 1 this year, the number in effect was 45,213. In other words the Commission has made a greater number of awards during the past twelve months than in the preceding five years. During the month of February, 1946 the commission in formal session made adjudications upon no fewer than 10,353 pension claims. When I refer to pension claims, I am using perhaps the only available term but it does not precisely describe the situation. Although we refer to these files or cases as pension claims, in the vast majority of cases the veteran has made no claim at all. For some years now it has been the practice of the Pension Commission to screen the proceedings of the final medical boards on discharge for all members of the forces and to take action in those cases where a disability was shown to exist at that time. The result is that the vast majority of pensions are awarded without any application from the ex-service man. The procedure is such, however, that when the decision is adverse the veteran is notified of the reasons and all his rights of renewing and presenting his own claim are preserved to him. Furthermore, every potential pension applicant when advised of an adverse decision is informed that he is entitled to the assistance of a pension's advocate in the preparation and advancement of his claim for a pension. The leading organizations of ex-service men also give valuable assistance in this regard. These advocates of the Veterans' Bureau, although they are government employees, are not a part of the Pension Commission machinery, but are retained to act as counsellors and advisers and special pleaders for those who wish to pursue their claims for pension. The staff of advocates has been greatly enlarged during the past few years, and they are rendering an excellent service.

Not only is the Pension Commission dealing with this daily flood of new cases; it has done a great deal of other work. Last November I informed the Special Committee on Veterans Affairs of a number of changes in the table of disabilities which would result in an upward review of many pensions. Concurrently with its regular work, the commission reviewed no fewer than 8,289 pension files for defective hearing cases who possibly were affected by these changes, and upward adjustments were made wherever indicated.



I have been discussing chiefly the veterans of the recent war, but it is interesting to note that of these cases reviewed 6,663 were veterans of the first great war.

It will be remembered that Canada recently assumed the responsibility of paying the monetary grants which accompanied certain awards for gallantry to our distinguished heroes of the recent war. This task was assigned to the Pension Commission, and 1,723 such payments have already been authorized. During the course of the recent war the awards to approximately 192 pensioners of the first war who were resident in enemy occupied territory were necessarily suspended. I am glad to be able to say that, as the result of vigorous efforts in tracing these people, 120 such pensions have been restored.

Another duty which has been discharged with great credit by the Pension Commission is the payment of detention allowance in connection with merchant seamen interned as the result of enemy action. Approximately 130 seamen were involved, nearly all of whom have now been repatriated and their claims adjusted on an interim basis pending final settlement.

The overwhelming majority of pensions in payment are to members of the Canadian armed forces. It may be of interest that included in these are 171 ex-service women. Also 563 pensions have been awarded with respect to seven classes of civilians: merchant seamen, deep sea fishermen, auxiliary services, civil government employees, R.C.M.P. special constable guards, civil defence volunteers and members of the overseas fire fighting service.

#### WAR VETERANS' ALLOWANCES, WIDOWS' ALLOWANCES, VETERANS' HOMES

I now want to deal with war veterans' allowances, widows' allowances and veterans' homes. Despite the pressure of the claims of the new generation of young servicemen, this country has not forgotten its obligation to the older generation of veterans of the past. The number of patients on our strength at the present moment whose entitlement arises from service in the war of 1914-18 is 2,705, which is almost exactly the same number as we were caring for in September, 1939. The War Veterans' Allowance Act, which provides an allowance to aged veterans who are without other means of sustenance and are physically incapacitated for employment, has been repeatedly amended during the recent war. The monthly allowance has been increased by 50 per cent, and various modifications have been made in the amount of other allowable income. The number in receipt of War Veterans' Allowance on January 31, 1946, was 24,717. The annual liability involved in these payments is \$10,550,667.

One of the conditions of eligibility is that the veterans shall have served in a theatre of war or have been pensioned. We have had, however, during the recent war a number of experienced soldiers re-enlist and serve often for periods of several years. In some cases these were men who, through no fault of their own, had not experienced overseas service in the last war; and it goes without saying that men of that age were not in many instances, able to proceed to the front in the later conflict. Nevertheless, we found that among these men were some who had given as much as ten years of their lives in the service of the country, and who, upon retirement, were really beyond the employable stage. For these we instituted the dual service pension in 1944. The number in receipt of this pension is 141 and the annual liability is \$79,227. The number is small because, of the several thousand veterans of the first Great War who re-enlisted, the vast majority had overseas service and were eligible under the ordinary provisions of the Act.

May I say that this problem of the veteran of two wars has been the subject of a great deal of consideration. Men who have twice interrupted their normal careers, who have spent up to ten years in the armed forces and who are now

in the upper age brackets, are in many cases much less well fitted than their contemporaries to resume the battle of life in a competitive business world. In addition to the measures already described, the department has appointed a special adviser on the problems of the veteran of two wars, and it is our policy to give very special and sympathetic consideration to these splendid men.

Another important addition to the functions of the War Veterans' Allowance Board, which was adopted in the midst of the recent conflict, was the recognition of the right of widows to an allowance when their economic circumstances were similar to those which apply to veterans under the War Veterans' Allowance Act. Parliament in 1943 voted an appropriation for allowances for non-pensioned veterans' widows. This fine humanitarian measure is providing sustenance for no fewer than 3,056 widows, and the annual payments total \$1,180,031.

These various amendments and new measures which were adopted during the war by order in council or, in one case, by parliamentary appropriation, have been consolidated in the form of a draft bill amending the War Veterans' Allowance Act. Consideration of this bill constitutes part of the business for the Special Select Committee on Veterans Affairs at the present session.

There is one other important measure which has been taken within the past two or three years for the alleviation of distress among aged veterans. That is the institution, for the first time throughout Canada, of a chain of veterans' homes for the care of aged and incapacitated veterans who have no homes or families able to provide for them. The war veterans' allowance was originally instituted with a view to enabling elderly veterans and their wives to continue to live together, thus preserving the independence and family association of veterans who had passed the earning stage of their careers. However, where there is a serious health condition or where the veteran of advanced years has no home of his own and no relative able to provide for him, it has recently become desirable that homes with a measure of medical and nursing services be provided. The first of these was the beautiful residence of a well-known Vancouver family, donated to the country by Senator A. D. McRae. There approximately 100 elderly veterans otherwise homeless and suffering some degree of disability requiring nursing care, are ensconced in one of the most lovely environments in which any of us could wish to reside. We now have six such homes in as many different centres, with a total capacity of 614 beds. The number of inmates on March 9, 1946, was 534. I think everybody will agree that it is infinitely more desirable that these aged and infirm veterans should have the club-like environment of a special institution of this sort rather than reside in a typical hospital ward.

#### VETERANS' LAND ACT

With respect to the Veterans' Land Act, nobody is more conscious than I of the sense of disappointment felt by applicants when it is not possible to approve their proposed transactions immediately. In that connection I recall to you the very extended debate which took place in the session of 1942 when the Veterans' Land Act was before the House of Commons for adoption. I have retained some notes of that debate, and I am sure honourable members will agree with me that the whole spirit of the House on that occasion was one of advising the exercise of extreme caution in the selection of lands and in the selection of applicants.

The member for Acadia warned against purchasing lands that had been foreclosed. The member for Souris urged that we should guard at all costs against placing veterans on sub-marginal lands. The member for Davenport warned against repeating the experience in Northern Ontario where settlers had abandoned their farms because they were too far from markets and the



task of breaking the land was too difficult. The member for Melfort insisted that soil surveys must be considered and that only land of the highest two most productive types of soil should be purchased. The member for Wood Mountain stressed the difficulty of valuing lands. The member for Peel emphasized the question of the adaptability of the settler: "the desire to farm and the ability to make a success of it are two different matters . . . The women folk are a very important factor in the success of anyone who settles on the land." The member for Acadia said there must be nothing haphazard in the matter of selecting settlers. The former member for York-Sunbury pointed out that "a man's own conception of his ability may not be the best one. A disinterested judgment by those who are competent to judge is essential."

The member for Haldimand said that the success of the project will depend upon the selection of the man. The member for Melfort urged that we avoid selecting men who had not had farming experience and were unsuited to farming. The member for Rosetown-Biggar said, "We must not make the mistake of settling men upon the land unless they are thoroughly suitable for that kind of work."

I could go on at greater length. I think, however, that it is unnecessary to make further citations but *Hansard* and the proceedings of the select committee are full of such warnings from every party in the House. In these circumstances are we to find fault with the officers administering the Veterans' Land Act for taking those warnings to heart?

There has been some criticism, in Saskatchewan particularly, that the departmental officers have been reluctant to authorize settlement upon lands without a physical inspection. It is claimed that the reports upon the quality of lands in Saskatchewan available to the administration are so comprehensive that in a majority of cases the advisory committees ought to be able to make up their minds without having an appraiser go out.

The member for Rosetown-Biggar the other day referred to this matter and expressed some impatience also with regard to the reluctance of the district officers to approve settlement in instances where the wife of the veteran has not yet been repatriated. These matters were brought to my own attention some time ago and notwithstanding the cautionary warnings to which I have just referred I took the responsibility of authorizing the officials of the Veterans' Land Act to approve settlement in the two sets of circumstances referred to.

The instructions went a little bit further than that. They constituted a directive that, where comprehensive and reliable information about the quality of the land is available in documentary form, settlement is not to be delayed. Direction was also given that where a veteran himself is fully qualified establishment need not be delayed in all cases until the veteran's overseas bride arrives in Canada.

I can assure you that at this present moment the entire staff of the Veterans' Land Act administration is exerting every possible effort to expedite settlement at this important season of the year so that the greatest possible number of qualified veterans may commence operations in time to obtain crops during the coming summer. Broadly speaking the administrative instructions are that everything possible shall be done to expedite the settlement of qualified settlers on approved lands. Our advisory committees instead of sitting once or twice a week are meeting daily and all day. Our officials are working day and night. They are out making inspections on Sunday. We could probably do with more staff but I think it will be agreed that you cannot send out an inexperienced man to appraise a farm. Our district officers are on the horns of a dilemma. We want them to be cautious and we want them to be quick.

The process of dealing with a single application can never be speedy. When we are informed that the man wishes to qualify we have to get his service file and then we have to arrange for an interview with an advisory committee.



Having decided that the man is qualified for settlement we next deal with the matter of property. He may have a property already selected in which case we have to send a competent valuator out to inspect it. Remember our offices are at some forty-five central points but these farms are scattered over the length and breadth of Canada. Proper inspections cannot be made in certain seasons as when the land is covered with snow. Enquiries have also to be made as to the relative values of other lands in the vicinity. Altogether this process of arriving at valuations is not an easy one. Often there are differences of opinion to be reconciled as between the settler, the advisory committee and the vendor. Even when terms have been agreed upon we frequently learn of complications in connection with the title. With the best of good will all these matters take time. One is fully conscious of the sense of irritation on the part of each individual veteran who wishes to get ahead with his project. I can only say that every effort is being made to shorten the length of time and to give the utmost help and assistance. I have been impressed with the number of letters which have come to me personally from veterans expressing appreciation of the courtesy and helpfulness of our district officials.

Let me say that the record of accomplishment in the Veterans' Land Act administration is no mean one. I am sure all members of this committee will agree that it was desirable that settlement should proceed slowly until the end of the war in order that the overseas men who had done the fighting should not return to find that the best lands had been picked over by those with shorter service in Canada only. Consequently it was not until the end of the war that the order for full speed ahead was given.

Let me now give you some indication of the progress that has been made in that comparatively short time. At the end of September, 1945, the number of veterans who had been approved as qualified to come within the terms of the Act was 6,227. On January 31, 1946, that number was 16,378. In other words, in four months 10,000 new veterans had been qualified after careful personal investigation in each case. At the end of September, 1945, the number of land purchases which had been approved was 5,461. At the end of January it was 7,789 although I would direct to your attention that these were not months in which it was easy to make appraisals. At the end of September, 1945, the number of applications for financial assistance which had been approved was 1,395. At the end of January it was 4,041, a threefold increase in the four months. That figure is as close as we can come to stating the number of actual settlements effected. The reason why it is not a precise figure is that there are instances where men ask for loans with regard to properties upon which they are already established, and there are other instances where even if the transaction has been approved the veteran is not ready to move into the property. At the end of January as I have said, the number of settlements was approximately 4,000. Statistics are not yet quite complete for the month of February but from data now available it is apparent that in that month approximately 690 additional settlements were made.

The Veterans Land Act administration has also made a contribution to another of the most vexing problems with which we are at present confronted, that is, housing. The administration has built during the present year 2,700 houses upon lands previously acquired. Most of these houses are now just about ready for sale and occupancy. The process of estimating the costs and prices at which they should be sold is in hand at the present moment. That is not quite as simple as it sounds because most of these houses were built in groups and with respect to each project there were some costs common to all. The allocation and distribution of these common costs is an accounting transaction of some complexity. We hope, however, in the next few weeks to begin allocating these 2,700 houses to the waiting veterans who have qualified for small holding establishments. Needless to say when we

dispose of these 2,700 houses the number of settlements will sharply increase. At the present moment some 5,000 veterans are settled or in process of settlement. Our estimate for the coming year (and our organization is being geared to this estimate) is that we shall establish another 15,500 veterans on farms, small holdings, and in commercial fishing.

#### VETERANS INSURANCE

Another rehabilitation measure greatly appreciated by our ex-service men is the Veterans Insurance Act. This measure was enacted in the summer of 1944 and our organization was ready to begin to issue policies on April 1, 1945. Since that date 3,373 policies have been issued and the total amount of insurance in force is just in excess of twelve million dollars. The monthly rate of applications is rapidly increasing and in the month of February the number of applications received was 599. The average policy issued is approximately \$3,000 although the Act permits up to \$10,000. There is, of course, nothing to prevent a veteran who has taken out a small policy commensurate with his modest income at the beginning of his earning career from adding to his insurance under the Act at a later date when he feels able to meet the additional premiums. The principle involved in this legislation is that of enabling the veteran with a disability to obtain insurance at the normal commercial rates applicable to physically fit persons of the same age. The handling of these applications represents an additional responsibility and an additional duty of the staff of the Veterans Affairs Department in all its many offices throughout Canada.

#### VETERANS REHABILITATION ACT

I wish to deal now with the Veterans Rehabilitation Act which we passed here last year with the assent of Parliament.

Probably the most vital and constructive measure in the entire rehabilitation program is the Veterans Rehabilitation Act which, for several years prior to last session, was known as the Post Discharge Re-establishment Order. This is the authority to the department to provide vocational training, courses of education at institutions of higher learning, assistance to recently discharged veterans while awaiting employment opportunity, and assistance to those who have set up in business or on farms while awaiting returns from their venture. There is also provision for the equivalent of out-of-work benefit to veterans who are unable to work on account of temporary physical disability but this has tended to become merged with our out-patient treatment allowances and is no longer of major importance.

One other feature of the Act has, however, proved a tremendous boon to certain groups of veterans and will continue to do so. That is the provision by which veterans are accredited under the Unemployment Insurance Act with their time on military service as if that time had been spent in whatever industrial employment the veteran enters subsequent to his discharge. A very large number of veterans discharged for minor disabilities during the war, and who entered some war industry which subsequently shut down, have been entitled to substantially longer insurance benefits than would otherwise have been the case.

Under the provision of the Veterans Rehabilitation Act my department was rendering direct assistance on February 28, 1946, to no fewer than 90,916 former members of the forces. When I tell you that the number in receipt of benefits last September on V-J day was only a little more than 9,000 you may have some appreciation of the tremendous task which has been carried out by the rehabilitation branch of my department in the last six months. The



number of beneficiaries has increased in that short period by one thousand per cent. Making allowances for the very large number of veterans who have received benefits for short periods only this means that in the last six months the departmental officers have approved more than one hundred thousand applications for the various benefits.

### UNIVERSITY EDUCATION

I shall try to give you some information with regard to each benefit. Let us consider first the educational benefit which includes university courses, professional courses and pre-matriculation work. Last September the number in receipt of educational training benefit was 2,434. In January it was 23,497, a tenfold expansion. With the addition of nearly 6,000 who commenced new courses in January and February the total increased by the end of February to 27,577. It is estimated that another 2,000 will commence their studies in special terms to be opened by a number of universities in April or May and that an additional 15,000 will enter university for the first time next October.

I mentioned that on January 31 the number in receipt of educational benefit was 23,497. Of these some 16,500 were actually attending university or professional schools. Another 6,689 were engaged in pre-matriculation courses with respect to which I wish to pay tribute to the provincial departments of education for their splendid co-operation in providing the facilities. We found that approximately four out of every ten veterans proceeding to university required either pre-matriculation or refresher work before entering upon their courses of higher education. These pre-matriculation students help us with the accuracy of our estimates as to the coming requirements upon the universities. We estimate that by October next 38,000 veterans will be enrolled in the universities and professional colleges of Canada under this legislation.

The people of Canada through the Department of Veterans Affairs are paying the tuition fees. They are paying living allowances to the students themselves. In addition during the current university year a contribution of \$150 per student veteran has been paid to each university as a public contribution towards the increased instructional costs imposed upon the universities.

The universities and professional colleges of Canada have co-operated admirably with the Department of Veterans Affairs in expanding their facilities to meet this extraordinary influx of student veterans. This has entailed for the universities the employment of extra staff, the greater use of buildings, the acquisition of temporary buildings, all-year-round operation with three entrance dates, October, January and May in most universities. It has involved the conversion of barracks and huts to classroom and laboratory needs. It has transformed every university campus in Canada. By co-operation between the Department of Veterans Affairs and other departments of government with the universities surplus army and air force huts have been made available to the universities both for classroom purposes and to provide dormitories and dining hall services.

In some cases, arising out of the fact that these student veterans are no longer adolescents, universities have had to adopt the somewhat remarkable innovation of providing married quarters.

The department has had the requirements of the universities for the coming year surveyed and a plan of financial aid, according to need, has been developed with a view to ensuring that all qualified veterans seeking admission to our Canadian universities will be accepted. University heads and the instructional staffs have met the challenge with enthusiasm, ingenuity and energy.

The response of the veteran as a student has won praise from the professors all across Canada. The whole standard of study in the university has been raised by the introduction of these student veterans who are of a more mature age than that which is ordinarily found in university halls.



Sceptics who predicted that ex-service men would not be able to buckle down to classroom work have been agreeably surprised. Actually the standing on examinations and tests of the student veterans has been higher than the normal level. Canada may confidently look forward to the filling of the depleted ranks of our professions by tens of thousands of keen young veterans during the next five years.

### *Vocational Training*

Training of veterans is not confined to the university and professional level. The department is providing vocational and occupational training to approximately 25,000 veterans in more than 400 different occupations. Even a condensed group of these shows a wide variation. Some 3,500 are being trained in the various building trades—a contribution to the housing problem. Approximately 3,000 are taking clerical and accountancy courses. All branches of manufacturing and mercantile operations are included among the subjects. Transportation, radio telegraphy, nursing, music, professional entertainment, agriculture and domestic services all represent large groups. I would say that the training is as varied as the industrial, commercial and occupational life of Canada.

The report for the month of February dealing with vocational training shows that the number who received assistance during that month was 27,511, of whom 1,988 were women. The majority of these are being trained in classes which have been established under the Canadian vocational training scheme with dominion-provincial co-operation. While the provinces organize and administer the training program, the cost of training veterans is borne entirely by the dominion government.

Through the co-operation of industry very substantial numbers of veterans, approximately 5,000, are being trained in the industries where it is hoped they will subsequently be employed. This applies also, of course, to those taking chartered accountancy, law, and various other subjects where the practice of articling students exists.

With regard to industry, intensive efforts are being made to broaden the practice of training-on-the-job. The volunteer citizens' rehabilitation councils in the various cities and towns of Canada have co-operated wholeheartedly in encouraging employers to take veteran students into their plants on a training basis.

During the early stages of training, where the veteran is not able to earn a living wage, the department supplements his small earnings by the payment of an appropriate allowance. Altogether we are prepared to pay allowances, in the case of a single man, sufficient to bring the combined earnings and allowance up to \$100 a month, if the occupation for which he is training will not yield wages at that level.

Let me illustrate what has been done through intensive campaigning for training opportunities in industry. In the city of Calgary in a two-week period in March, 111 training opportunities in private establishments were opened up. An interesting by-product of this effort was that 77 additional positions were made available to veterans on a straight salary basis.

Vocational training has experienced the same remarkable increase in the past six months as our other activities. Thus, at the end of September, 1945, the number on training allowances was 5,165; at the end of February, 1946, it was 25,071. Lest there be any confusion, the earlier figure of 27,000 was the number who were on training allowances at any time during the month. Both figures have their significance.

*Out-of-Work Benefit*

Undoubtedly one of the most helpful benefits provided by the rehabilitation Act is the assistance given to newly discharged men while awaiting employment. When the order in council which inaugurated this plan was under consideration in our advisory committees, it was realized that under the climatic conditions which prevail in Canada any large body of men discharged in the autumn and winter months at the time of demobilization would experience difficulty in obtaining new employment. It was primarily for this reason that the period of eligibility for out-of-work benefit was put on the basis of any fifty-two weeks within the first eighteen months after discharge. This ensures protection during at least two winters for the vast majority of our demobilized personnel.

That which was foreseen has come to pass, and it speaks well for the resiliency of Canadian industry that, although approximately half a million men have been discharged since last summer, the number in receipt of out-of-work benefit at the end of February, 1946, had reached only 32,817. When one considers that practically all construction work and building operations have to be suspended in the winter months, this speaks well for the employment prospects that confront us in the coming year.

It came to my attention last autumn that numbers of newly discharged men who could not find employment were not taking advantage of the out-of-work benefits which had been provided to meet this anticipated situation but were consuming their war service gratuities as current income. I issued a statement drawing attention to the fact that this was not necessary, and very wide publicity was given to the availability of out-of-work benefit. The effect of this step thus taken is to be found in the great increase in the awards of this benefit which has taken place since November.

The number of veterans on out-of-work benefit at the end of November, 1945, was 2,853; at the end of December it was 8,549; at the end of January it was 21,698; at the end of February it was 32,817.

The handling of this flood of applications constituted a heavy burden on our rehabilitation offices, and when it was found that we could not quite keep pace with the problem, arrangements were made with the National Employment Service that benefits could be initiated and paid through the local employment offices. This immediately cut down the waiting period and undoubtedly relieved much distress.

Some alarm has been expressed in regard to the general employment situation, and my colleague, the Minister of Reconstruction, who is in close contact with the economic trends which influence the volume of employment in the country, has, on a number of occasions, predicted that with the coming of spring the situation would greatly improve.

I have obtained a somewhat detailed report from the chief welfare officer of my department on the current situation with regard to out-of-work benefit. The figures tend to support my colleague's assumption that the employment situation would improve with the season. Already we have districts showing indications of steadiness or recession in the number of new applications and in the number in receipt of benefit. The week of March 16 in Ottawa shows a decrease of 54; the London-Windsor area shows a decline of 22. The majority of our centres show variations, one way or the other, of less than 60. The number of new applications is also beginning to decline in various centres, including Winnipeg and Regina. The smallest increase, from week to week, in the past winter was in the week from March 2 to March 9.

It seems reasonable to assume, therefore, that notwithstanding the continuous flow of new discharges into the employment market, the number of veterans requiring out-of-work assistance will begin to show a fairly sharp decline in the next few weeks.

*Benefit Awaiting Returns*

One of the most valuable benefits provided by the Veterans' Rehabilitation Act is that which we know as "benefit awaiting returns." It was designed to meet the problem of the veteran who embarks upon some business—professional or farming project—in which he is his own employer. The classical illustration is the farmer who has to await the marketing of his first crop before he has any income for the maintenance of himself and his family. In these circumstances the department is permitted to pay appropriate allowances up to the maximum of the scale of out-of-work benefits. The value of this benefit to those who take up farming is obvious.

It has also been used to great advantage to assist men setting up small businesses on their own, and has been used even in the case of professional men, in the early period before they have attracted a sufficient number of clients to provide them with a living. At the end of February we had 5,503 veterans in receipt of this benefit.

While I cannot give you the division for February 28, I am advised that of the 3,277 in receipt of this benefit on December 31, the number who were engaged in farming was 1,730 and the number who were engaged in business 1,547. I may add that some of the farmers are men who have been put on the land under the Veterans' Land Act. It is expected that this number will increase substantially in the near future as a direct result of the large number of new settlers who will be taking over their properties in the coming months.

It is of interest that although the benefits under the rehabilitation Act are normally available upon application within twelve months after discharge, or the end of the war, whichever is the later date, provision has been made in connection with this benefit "awaiting returns" that when a veteran has been delayed in entering business by reason of licensing or rationing laws, or by reason of scarcity of the commodity or equipment required by him, an extension of time may be granted.

Similarly, veterans who are established under the Veterans' Land Act may apply at any time within one year after the date of establishment in full-time farming or commercial fishing. The procedure with respect to farm and fishery settlements is that the administrative officers of the Veterans' Land Act investigate the necessity of this measure of assistance when they are interviewing the applicant, and they make their own recommendation to the rehabilitation branch so that there may be no delay in putting allowances into effect immediately where this assistance is called for.

*War Service Gratuities*

Let me now give you some idea of the colossal task which has been carried out by the pay offices of the three armed forces in disbursing war service gratuities. This Act was passed in the summer of 1944, and the organization for payment began to function in December of that year, about fifteen months ago. On March 1, 1946, the number of awards passed for payment was 599,384, and the amount paid out up to that date was \$204,896,367.

As with every large new undertaking there were some delays at the outset, particularly with regard to men who had already been discharged and who had to write in and apply for their gratuities. However, at the present moment, although the claims are coming in at the rate of 2,800 a day, 95 per cent of the payments begin in approximately thirty days.

Longer delays occur with regard to approximately 5 per cent of the cases due to a number of unavoidable factors such as the necessity of investigating a family status where complications have arisen, verifying documents where the claimant has served in more than one of the Canadian armed forces, difficulties



with regard to the civilian addresses of discharged members, etc. That these delays should affect only approximately 5 per cent of the 600,000 awards that have been passed for payment reflects the highest credit upon the pay services.

### *Re-establishment Credit*

The payment of gratuities is made by the navy, army and air force themselves.

Re-establishment credit, which is provided for in the same statute, is administered by the Department of Veterans Affairs.

As will be remembered, the re-establishment credit is an amount entered in the books of the Department of Veterans Affairs to the credit of the veteran for disbursement any time within ten years for certain specified rehabilitative purposes named in the Act. The Department of Veterans Affairs has received from the Department of National Defence 495,534 notifications of the amount of the payment of gratuities upon which the credit is based.

The total liability shown on the credit sheets despatched to the districts for administration is 166 million dollars. As the credit is not available to veterans who receive training benefits or who take up land under the Veterans' Land Act large numbers do not apply, and others prefer to conserve their credit for some future project which they may have in mind.

The amount disbursed up to January 31st was \$15,260,599 and it is interesting to note the purposes for which it has been used.

1. for the purchase of homes .....	\$ 4,545,619
2. for repairs and improvements to homes .....	\$ 1,319,517
3. for furniture or household equipment .....	\$ 5,787,987

That is to say \$11,653,123 of the fifteen and one-quarter millions has gone into the establishment of homes.

Another \$3,438,102 has gone into setting veterans up in business. This is divided as follows:—

1. Working capital .....	\$ 1,934,505
2. for tools and instruments .....	\$ 1,254,726
3. for purchase of business .....	\$ 248,871

Smaller amounts have been used in the payment of insurance premiums, on the purchase of educational equipment, text-books, etc.; and under a recent amendment, in the discharge of indebtedness upon homes.

When we consider that only 15 million out of an available 166 million has been already drawn, and that it has been spent upon these highly constructive purposes I think we may look forward to a very valuable contribution to the rehabilitation of our veterans from the provision of re-establishment credits.

### *Summary on Rehabilitation*

Last October when this committee was first formed I made a statement which is still on the record. What I have sought to do in the foregoing remarks is bring the record up to date. I have by no means exhausted the subject.

The provision of housing for veterans is not one of the legal responsibilities of the Department of Veterans Affairs, but our department with the co-operation of the voluntary citizens' rehabilitation councils helped to meet the problem. When the housing shortage became acute with an accelerated discharge rate, and when it was apparent that veterans were suffering, the Department of Veterans Affairs in the name of the government took on an aggressive educational campaign designed to induce people who had unused space in their homes to make it available to veterans. The co-operation of our citizens' committees

was enlisted to provide community leadership. We secured a great deal of assistance from commercial advertisers from one end of Canada to the other. Newspaper editors and the owners of private radio stations were most generous in providing free space in the newspapers and free time on the radio stations. No complete solution of course was provided but it is estimated by officers of my department that accommodation was secured for approximately 7,000 veterans which would not otherwise have been available. That is just one evidence of the type of assistance rendered by the Department of Veterans Affairs over and above its legal responsibilities to administer specific legislation.

I cannot commend too highly the spirit of the staff whose male members, as I have previously mentioned, are all veterans. When the return of dischargees began to increase to extraordinary proportions last fall rehabilitation centres from one end of Canada to the other adopted the practice of remaining open two and three nights a week to deal with the very heavily increased load of work. Through this they were not only able to deal with the backlog in a very short time but, as their staff increased with the appointment of veterans newly back from the fighting fronts, they were able to keep pace with the rapid rate of discharge. The night service which members of the staff of the Department of Veterans Affairs gave to their fellow veterans was entirely voluntary, and they received no overtime pay for the work which they put in. To-day I am advised that there is no backlog of counselling or interviews in any rehabilitation centre across Canada.

A note from the weekly report of our Calgary rehabilitation office reflects vividly what is involved in this tremendous volume of interviewing. I quote:—

Our centre is now handling an average of 650 visitors a day by actual check. Peak days have reached a total of over 900. However we are proud of the fact that we have been able to deal with every caller on the day he or she called without any carry-overs or appointments for the future.

Another service instituted voluntarily in many parts of the country is that of making personal visits to veterans' homes in the evening. This practice is widespread and in the Toronto office it was realized that a number of veterans were employed on hourly rates of pay and that taking time out to visit Department of Veterans Affairs offices would cost these men money. Accordingly the Toronto superintendent of re-establishment credit instituted a system under which members of his staff visited the veterans in their homes in the evening and completed their applications for use of re-establishment credit. This was overtime service by sympathetic veteran civil servants who received no pay for the extra time they put in.

I have felt a special responsibility to bring out these facts on behalf of the loyal veterans who constitute the staff of the Department of Veterans Affairs. I feel that they are deserving of public tribute from the head of their department.

#### AGENDA

##### *Legislative Agenda for the Committee*

I now come to the business which has been directly referred by the House to this select committee.

Last session officers of the Department of Veterans Affairs placed before the committee for its convenience six draft bills in which legislation already operative under orders in council was consolidated into statutory form which it must eventually take. This committee dealt with three such bills and upon its reports parliament took action. It was understood, however, that the committee's recommendations, as far as they went, were not necessarily to be

considered as final, and that one or more of the three bills recommended last session may be the subject of further consideration.

The measures enacted last session were:—

- (1) An Act amending the War Service Grants Act.
- (2) An Act amending the Veterans' Land Act.
- (3) The Veterans Rehabilitation Act.

The three draft bills upon which the committee did not have time to report were:—

- (1) A bill to amend the Pensions Act.
- (2) A bill to amend the War Veterans' Allowance Act.
- (3) A bill to provide certain rehabilitation benefits for auxiliary service supervisors and members of the Canadian corps of civilian fire fighters overseas.

These draft bills are still before the committee as the basis of discussion, but the committee will have the added advantage of having before it the new material developed by the interdepartmental committee, and the consideration which has been given by departmental officers and the government to the various subjects since last session.

There will be other bills presented to the committee this session of which I may mention the following:—

(1) A bill to amend the Soldier Settlement Act, giving effect to an order in council by which the interest rate on loans to soldier settlers of the first Great War has been reduced from five per cent to three-and-a-half per cent, the rate established in the Veterans' Land Act.

(2) A separate bill will be presented to cover the pension or compensation rights of various classes of non-service personnel who may have suffered death or injury as a result of enemy action.

These classes include:—

1. Merchant seamen
2. Deep sea fishermen
3. Members of the auxiliary services
4. Civil government employees
5. R.C.M.P. special constable guards
6. Civil defence volunteers
7. Civilian fire fighters for service in the United Kingdom.

Compensation for death or injury has been provided by order in council for all of these classes. Some awards have been made in each group. The present authority is by order in council but it is contemplated that there should be a special act so that the Pension Act shall deal only with former members of the armed forces.

(3) There will be a bill granting the right to pension and rehabilitation services to Canadians who served in the forces of the United Nations. These rights have already been conferred by order in council but an Act of parliament is of course necessary.

There will be a bill granting certain rehabilitation rights to Canadian nurses who served in the South African Military Nursing Service. As members of this committee are aware action was taken by order in council last fall upon recommendation of this select committee. As in the other matters to which I have referred it is desirable that this be confirmed by Act of parliament.

This may not exhaust the list of matters which will be brought before the select committee during the present session but it is sufficient to indicate that the volume of work confronting us is not small.



## ACTION TAKEN ON LAST SESSION'S LEGISLATION

While I have mentioned that the draft bills do not contain new legislation, other than that which was already in operation by order in council, this select committee was of course bound by no such limitation, and the committee did in fact recommend a number of new provisions in the three measures upon which it reported to the House last year.

In order that the committee may be kept abreast of developments it is only right that I should indicate the executive action taken with respect to this new legislation.

In the bill amending the War Service Grants Act provision was made for the establishment of a board of review to consider applications for gratuity from former members of the forces who had received other than an honourable discharge.

The board was given power to direct the payment of benefits where in the board's opinion it would be inconsistent with the spirit and intent of the Act to deprive the veteran of its benefits.

Action was taken under this amendment by P.C. 424 of February 7, 1946. The board thus appointed consists of:—

Brigadier George A. Ferguson, E.D., former Deputy Adjutant General.

Captain S. W. Davis, R.C.N. (R)

Wing Commander F. D. Richer, D.F.C.,

Wing Commander A. E. Richard,

and

(Representing organized veterans)

The Reverend John Maxwell Allan,

Director of Personal Services,

Canadian Legion War Services.

This board began to function on February 11th, four days after its appointment, and by the end of February had considered 149 cases of dishonourable discharge. The payment of war service gratuity was authorized to 96 cases, and decisions were still pending with respect to 53. These numbers have naturally been increased since that date, but I mention the work accomplished in the first two weeks to indicate that no time was lost, and that good results are already flowing from the action taken upon recommendation of this select committee.

The adoption of the Veterans' Rehabilitation Act also imposed upon the government the necessity for executive action. As will be remembered this Act replaces the post discharge re-establishment order, but whereas the original order in council contained both the substantive legislation and all the detailed regulations the Veterans' Rehabilitation Act merely lays down principles, and leaves the details to be enacted in the form of regulations. These new regulations have not yet been completed for two reasons:—

- (1) Their compilation is a heavy task which it was not found possible to complete between the end of the session on December 21st, and the expiry of the War Measures Act on December 31st.
- (2) This select committee made certain recommendations for reconsideration of the schedules of rates payable to beneficiaries and final decisions have not yet been reached.

Accordingly the department has continued to administer under the post discharge re-establishment order the authority of which was extended, along with many others, by P.C.7417, of December 28, 1945. This is the order in council by which legislation deriving its authority from the War Measures Act was allowed to be extended under the National Emergency Transitional Powers Act of 1945. Draft regulations have now been formulated and are ready for submission to council at whatever shall be considered the appropriate moment.

## ACTION TAKEN ON COMMITTEE'S RECOMMENDATIONS

In its seventh and final report the select committee of 1945, made a number of recommendations. It is fitting that I should now inform you of the steps that have been taken with respect to these.

The first recommendation was for the appointment of a small interdepartmental committee, to study the items still to be dealt with and to prepare reports for submission. Such an interdepartmental committee was set up and its report is already in your possession.

Pursuant to a recommendation of the committee the government, by P.C. 6938 of November 15, 1945, directed that domiciled Canadians who served as members of the South African Military Nursing Services outside of Canada shall with respect to ten enumerated Acts and orders in council be deemed to have been members of His Majesty's forces other than Canadian, and that by reason of such service shall be entitled to all benefits of the acts and orders mentioned.

Pursuant to another recommendation of the select committee the government, by P.C. 7164 of November 30, 1945, provided that domiciled Canadians who served with any of His Majesty's forces, or in the forces of any of the nations allied with His Majesty during the recent war, should upon their return to Canada be entitled to have their pensions raised to the Canadian scale.

Similarly, by P.C. 7516 of January 22, 1946, it was provided that domiciled Canadians who served in the armed forces of any of the nations allied with His Majesty and who subsequently returned to Canada shall be entitled to the benefits of the War Service Grants Act, the Veterans' Rehabilitation Act, the Veterans' Land Act, and P.C. 4465 of June 13, 1944, known as the Treatment Regulations. As in the case of pensions any similar benefits received from the country in whose forces the veterans served are deductible from the benefits accruing under Canadian legislation.

An order in council amending the post discharge re-establishment order was adopted on February 7, to meet a problem that arose out of the extraordinary demand for training benefits received from demobilized members of the forces during the recent fall and winter. The available training facilities became somewhat congested and it was not always possible for men either to enter university or enter organized training classes precisely at the moment when the veteran became available for training. As originally the post discharge re-establishment order provided that out-of-work benefit and training benefit should be payable for a period not exceeding twelve months or the length of the veteran's service if he had served for less than a year. Veterans unable to enter training courses were reluctant to accept out-of-work benefit during the waiting period because of the danger that it might reduce the period of their training. Accordingly, by P.C. 254 of February 7, it was provided that total allowances payable to veterans for training be not diminished by reason of such veterans having accepted out-of-work benefits after having applied for a course and having been approved therefor. In other words, the veteran suffers no penalty in his benefits where delay in commencement of training is due to the temporary lack of facilities.

P.C. 255 of January 24 was found necessary to meet a special problem that arose in connection with training granted overseas. When it was arranged that veterans might be permitted to commence academic courses in Great Britain while still members of the forces it was agreed that they should not be required to interrupt an academic term merely because their turn for repatriation had been reached. The arrangement was that a course commenced under service auspices should be continued at the expense of the Department of Veterans Affairs, and that the member of the forces could be discharged overseas.



The Department of Veterans Affairs was authorized to pay the man's transportation home and apparently the early legislation did not contemplate that some of these men might have dependents overseas. The order in council of January 25 authorized the Department of Veterans Affairs to pay the transportation expenses of dependents on the same scale as would have been paid if the veteran had remained a member of the forces.

In the seventh and final report of the select committee last session reference was made to the claims of various civilian groups such as fire fighters, V.A.D. personnel, supervisors in the auxiliary services and others, and the committee expressed the hope that study of these questions would be carried out during the recess so that the departmental officers would be able to advise the committee at the present session. As I have already mentioned, there was placed before this select committee last session a draft bill embodying the extent to which rehabilitation benefits had been granted to the civilian groups by order in council. During the recess the interdepartmental committee has examined the various representations made for additional and wider benefits to civilian groups and their report contains the essential facts upon which I hope it will be possible to reach a decision.

The select committee of 1945 in its seventh and final report recommended increases in the schedule of rates under the post-discharge re-establishment order. These recommendations are still under consideration. The select committee also recommended that the government give consideration to providing some measure of assistance by way of loans to veterans who wished to engage in business. I can assure you that this is a subject which has been considered not merely during the recess but many times, and almost continuously, for the past two or three years. It was thought when provision was made for re-establishment credit that we had met to a very large extent the problem of men who need a small amount of capital to set up in business. However, as a department and as a government we have never closed our minds to the possibility that some form of liberalized credit to veterans might serve a useful purpose and the matter is under active consideration at the present time.

The last recommendation of the committee was that the department take steps to make permanent certain appointments advertised by the Civil Service Commission. Representations along these lines have been made to the Civil Service Commission and the department is awaiting the commission's decision.

Now I have given you a survey of the work of the department in its many branches, a report on the action taken during recess with regard to the recommendations made by the select committee last session and a forecast of the agenda for the present session. I trust that we shall be able to complete this program in the time allotted to us, so that there may be compiled under one cover a veterans charter containing all the legislative measures enacted on behalf of those who served Canada so well in the recent and former conflicts.

The VICE-CHAIRMAN: I am sure the committee is grateful to the honourable the Minister for the very substantial and informative report which he had just given us, giving us a cross-section of the activities of his department over the past few years. Now that I see the Chairman has returned from the sub-committee, I would ask him to kindly replace me in the chair.

(The CHAIRMAN, Mr. W. A. Tucker, took the chair.)

Hon. Mr. MACKENZIE: If the committee will excuse me I shall leave, as I have to go back to where I came from. Council is discussing some problems affecting all of us here.

The CHAIRMAN: Gentlemen, we have with us Mr. McIlraith, Parliamentary Assistant. He has brought with him from Montreal Mr. Berry, President of the War Assets Corporation and Mr. Birchard who is in charge of merchandising. They are here to explain the situation in regard to the handling of all articles that are of interest to veterans, particularly motor vehicles. I might say I



have also written to the Ministers of National Defence along the lines that you requested yesterday. Without taking up any more time whatever, I would ask Mr. McLraith to come forward and make a short statement, and introduce these gentlemen who will give their statements and be available for questioning by the committee.

Mr. McLRAITH: Mr. Chairman and gentlemen, I can assure you of one thing at the very outset, and that is that any remarks that I have to make will be very brief. I am not quite clear as to just what it is you wanted to find out from the department, or the subject you intended to cover. There is one thing I might say before dealing with the War Assets Corporation end of it. Effective Tuesday of this week the motor vehicle control order as affects passenger cars and the motor vehicle control order as affects trucks were amended. Those amendments were put in the hands of all honourable members on Tuesday, and they will be found in Statutory Orders and Regulations dated March 25, 1946, at the back. In any event, it will be observed that the effect of the amendments as concerns veterans—

Mr. GREEN: What is the effect?

Mr. McLRAITH: The effect there simply is to provide as follows: "A discharged member of the armed services who requires a truck for business purposes, subject to need being established." In other words, there is no longer any necessity for his showing that he had a truck or car before.

Mr. CRUICKSHANK: Does that help him get a truck?

Mr. McLRAITH: I should think it should remove the difficulty.

Mr. MUTCH: That is new trucks.

Mr. McLRAITH: I did not bring the statistics of truck production.

Mr. CRUICKSHANK: It is not War Assets.

Mr. McLRAITH: That is just what I said in my remarks. I thought members would want that drawn to their attention. The same type of amendment is in the passenger car order, and that affects only the veteran who is using it in his business. It is no longer necessary to show that he had one before going into the armed services.

Mr. ISNOR: That applies to new trucks?

Mr. McLRAITH: New trucks and new passenger cars.

Mr. ISNOR: War Assets have nothing whatever to do with that.

Mr. McLRAITH: Nothing whatever. That is what I said. As to War Assets—

Mr. GREEN: Before you go on to that, is it of any help to the veteran who has not got an old truck or an old car?

Mr. McLRAITH: Yes. It gives him a full right, just as he would have had formerly if he had had an old car or truck in his business. It removes the necessity for having an old truck or car altogether. I think that rather adequately covers the veterans' demands on the new cars and the new trucks.

Mr. CRUICKSHANK: There ain't no such animal.

Mr. BLANCHETTE: Does that give a priority to the veteran?

Mr. McLRAITH: Yes, it gives a priority to the veteran. All he needs to establish now is the need or use in his business.

Mr. CRUICKSHANK: Priority over what? It gives him a Class B, but what does that get him?

Mr. MUTCH: Nothing.

Mr. CRUICKSHANK: I should like to know. I know it is a Class B, yet I read that thing and studied it in Latin, but I still did not get a truck. What does this give the veteran? Can he get a truck?

Some Hon. MEMBERS: No.

Mr. McILRAITH: I am not in a position to guarantee that he will get a truck. Nor did I bring figures of truck production. But let me make it quite clear that it is anticipated that it would put the veteran in the position where he can get a truck if they are available. With regard to the production of trucks—there are other elements that enter into it. I presume you do not want me to go into that.

Mr. GREEN: Will you explain the difference between "A" priority and "B" priority?

Mr. McILRAITH: This is rather longer than I anticipated. There are two classes of priority indicated. We have not had any kick about "B" priorities getting their trucks. It is anticipated they will get their trucks.

Mr. GREEN: That I think is a great improvement. But can you tell us just what the difference is?

Mr. MUTCH: It is a gilt-edged licence to buy nothing.

Mr. McILRAITH: Let me perhaps just answer that. There seems to be a complete misapprehension here about these things. Prior to March 26 it was necessary to have a priority certificate to buy a motor vehicle. It was found that there were motor vehicles in this country in many areas where there was no priority certificate demand for them at all and the dealers were in the position of holding vehicles and not being able to sell them. That is what the situation has been on this subject. Just to answer further the honourable member for Fraser Valley, it has been necessary to go one step further in this order and permit the dealers to sell vehicles without a priority certificate at all if there are no priority certificate demands available for the vehicles.

Mr. CRUICKSHANK: I am asking for information. What I want to get at is this. Does this "B" priority give a soldier preference over somebody else who holds a "B" priority?

The CHAIRMAN: No.

Mr. McILRAITH: No. All "B" priorities are the same.

Mr. CRUICKSHANK: I want that on the record from the Parliamentary Assistant.

Mr. McILRAITH: I am sorry. I did not understand the honourable member. It does not give him priority over other priority certificate holders.

Mr. CRUICKSHANK: Well, it should.

The CHAIRMAN: It is true, is it not, Mr. McIlraith, now that this order has just gone through, they can only get priority and their demands will be filled now subsequent to the priorities that are already lodged with the dealers?

Mr. McILRAITH: Yes, that is correct.

Mr. MUTCH: It goes further than that.

Mr. SINCLAIR: Again for the record, as this is going out over the country, I wonder if Mr. McIlraith would answer Mr. Green's question as to who have "A" priorities?

Mr. McILRAITH: I can perhaps read the list into the record. This is from the truck order as it stood prior to the amendment.

For Class "A" Priority Certificates

#### CIVILIAN WELFARE

Ambulances and Hearses.

Fire Fighting Services.

Lumbering Industry.

Mail, Express and Freight Services.

Public Police Services.

Transportation of Materials and Supplies in the construction of houses.

Trucking Services (Licensed Public Service Vehicles).

Wholesale and Retail delivery of fuel and ice.

Wholesale delivery of Dairy, Food and Petroleum Products.

#### GOVERNMENTS

Dominion, Provincial and Municipal Governments.

I may say this next one has practically disappeared now.

#### MUNITIONS AND SUPPLIES

Manufacturing or furnishing any kind of munitions or supplies to any branch of the Armed Services subject in each case to written certification by the Government Official having jurisdiction over such production or supply.

#### PUBLIC UTILITIES

Light, Heat, Power, Telephone, Telegraph, Street Railway and other public transportation services.

For Class "B" Priority Certificates

#### PETROLEUM PRODUCTS

Delivery of petroleum products to consumers engaged in food or lumber production.

#### PRIMARY PRODUCTS

Production or transportation of primary products of Farm, Forest, Fishery and Mine, except retail deliveries.

Prospecting for base metals, oil and natural gas subject to written certification by an officer of the Department of the Dominion or Provincial Government having jurisdiction.

#### REHABILITATION

A discharged member of the Armed Services who owned and operated a truck prior to his enlistment and sold same on enlistment and who requires a truck to rehabilitate himself in his former business.

#### REPAIR SERVICES

Automotive (Tow trucks and service trucks)

Building Repairs

Electrical

Plumbing and Heating

Refrigeration

That order, incidentally, was August, 1945. But the amendment in so far as it effects the classification "veterans" under the heading "Rehabilitation" is amended to read as follows:—

A discharged member of the armed services who requires a truck for business purposes subject to need being established.

Mr. CRUICKSHANK: But he comes in after all these others?

Mr. McILRAITH: No. I have read those in alphabetical order. It is a "B" Class Priority.

Mr. CRUICKSHANK: What I am trying to get at, Mr. Chairman, is this. He gets a "B" Priority, quite true. But Mr. McIlraith has read out that list.

Mr. McILRAITH: Yes.



Mr. CRUICKSHANK: As I understand it, he gets merely a "B" category and then he takes his chance with the rest of the people in "B". Say that Jones runs a garage and for six months past Jones has a whole list ahead of the veteran under that list; he will be at the end. Is that correct?

Mr. WRIGHT: Yes.

Mr. CRUICKSHANK: In other words, he gets nothing.

Mr. MUTCH: Mr. Chairman, a moment ago I said that this "B" Priority was a licence to purchase nothing, but I should not like the committee to get the idea that this does not represent an advance. I had an opportunity a couple of weeks ago of talking to the dealers in my own area—

Mr. CRUICKSHANK: Would you pardon me. I should like an answer from the department on that, Mr. McIlraith.

Mr. MUTCH: He can answer you in a moment.

Mr. McILRAITH: Perhaps I can answer it this way. This classification of veterans I have read only applies to veterans who do not come under any of the other classifications. There are great numbers of them come under the other classifications.

Mr. CRUICKSHANK: To follow that up—I do not want to monopolize this but I entirely disagree with that. I think every member of this committee knows that every garage in his riding has had a list for a year or two years past, a priority list, A or B category, and these men coming back now are automatically at the rear of that category. Is that not what is in every riding? It certainly is in my riding. I want a definite answer. Does this or does it not provide under class B any priority for these veterans to secure a truck from any dealer over any others of the class mentioned?

Mr. McILRAITH: It does not provide him with a priority over any others of the class mentioned. I would point out two things though. First of all there are a great many veterans with class A priorities, and secondly truck dealers all over the country have not a list of priority certificates waiting. The situation was such that it necessitated another amendment in the order permitting dealers to sell to persons without priority certificates at all if there were no priority certificates.

Mr. CRUICKSHANK: Do you mean to tell me that some dealers have no priority lists established?

Mr. McILRAITH: Some of them have not.

Mr. HERRIDGE: I have a letter from my riding which I received a day or so ago right on that very point. It is from a veteran who finds that as far as he is concerned under this order he will never get a truck.

Mr. McILRAITH: I did not quite follow that.

Mr. HERRIDGE: He mentioned he will never get a truck because there are so many other people who have already made application under this classification.

Mr. McILRAITH: I do not understand. Your constituency is in British Columbia and this order was published on Tuesday night. How did he—

Mr. GREEN: This order only removed the provision that he must produce an old truck.

Mr. McILRAITH: Or must have used it in his business.

Mr. QUELCH: I would like to ask a question.

Mr. MUTCH: I had started on a question, if I may have the tolerance of the committee with respect to that. In view of the fact I said a moment ago that it did not mean anything I think in fairness to understanding the thing we should point out that B category is a fairly restricted category, whereas veterans before who could not come under the original A or B had no priority,

no prospect of getting anything at all. The placing of the veteran in B category gives him an opportunity to purchase a car, whatever his business may be, whether it is one of those specified businesses or not, provided he can show he can use it. For instance, a veteran who gets a job as a collector for a machine company, formerly there was no provision of any kind for him to get a car at all. Now he has a preference over all civilians within B category.

Mr. CRUICKSHANK: Oh, no.

Mr. MUTCH: Yes, he has.

Mr. CRUICKSHANK: No, he has not.

Mr. MUTCH: Excuse me, if I am wrong I would like to be informed. B category was definitely restricted to certain occupations. I think that is correct, is it not, Mr. McIlraith?

Mr. McILRAITH: Oh, yes.

Mr. MUTCH: To those occupations and businesses which you read out.

Mr. McILRAITH: It was originally, yes.

Mr. MUTCH: It still is for other than veterans?

Mr. McILRAITH: That is right.

Mr. MUTCH: Still restricted for other than veterans. I am interested particularly in the cases of the chaps who are doing insurance adjusting or collecting, and who are doing small jobs of serving household appliances, and that sort of thing. Formerly they had no chance at all. At the present time they have it, as and when cars are available. My gripe is there are no cars to buy. If, as and when cars are available these veterans under this order do have a priority over civilians in these occupations.

Mr. McILRAITH: That is right.

Mr. MUTCH: B category was formerly very restricted.

Mr. CRUICKSHANK: Did you read the list?

Mr. MUTCH: I have read it, and I have heard it read, and I still suggest it is a comparatively restricted thing, but while the discrepancy between veterans has been done away with and all veterans in the B category have the same preference the unfortunate thing is—I think this is the reason for this meeting if I may say so—that there are no cars available as far as my information goes, and there is no prospect. That is in general. There are places where there are, but in general there are not.

Mr. McILRAITH: Do you draw a distinction between cars and trucks?

Mr. MUTCH: Well, as to trucks in every case it is the same situation taking the country as a whole. There are places where nobody is engaged in any of these occupations and has no priority, and as a rule the dealer has no cars to sell either.

Mr. CRUICKSHANK: That is at Fort Churchill or somewhere like that.

Mr. MUTCH: There may be exceptions. I think what we are trying to get at in this country is that there are cars which should be used and which in our view, I think, should be restricted to veterans in B category. What we would like to find out from Mr. McIlraith and those associated with him is how we can get hold of these cars which are banked up in snow banks—the snow is gone now fortunately—in various places, and what the prospects are of getting them pried loose and turned over to veterans who have a B priority.

The CHAIRMAN: Before anyone speaks, we have Mr. Berry from Ottawa, the president of War Assets Corporation, and Mr. Birchard from Montreal. They are busy men.

Mr. CRUICKSHANK: So are we.

The CHAIRMAN: Please let me finish.

Mr. CRUICKSHANK: Do not go saying that.

The CHAIRMAN: They are busy men. We do not want to keep them here several days. We can discuss these things and argue about them with Mr. McIlraith at great length. He is not a busy man, of course. So I suggest we have Mr. Berry and Mr. Birchard make their statements and that we argue with Mr. McIlraith afterwards.

Mr. CRUICKSHANK: We want to argue with Mr. Berry.

Mr. GREEN: We are not arguing with Mr. McIlraith. We are trying to get at the facts. Mr. McIlraith is here. We have got the right to question him.

Mr. McILRAITH: I am available any time.

Mr. GREEN: I think he is perfectly agreeable to answering questions.

The CHAIRMAN: I suggest to the committee that we hear from Mr. Berry and Mr. Birchard. Then when we get the whole picture we can ask Mr. McIlraith questions.

Mr. GREEN: Mr. Berry is not going to deal with this question of new trucks. The question has been brought up by Mr. McIlraith. Surely we are entitled to follow it up.

The CHAIRMAN: He just brought it up in order to introduce these gentlemen. Let us proceed in an orderly way. We did not bring these people here to deal with new trucks or cars. We brought them here to deal with these cars that were supposed to be held by the armed services, not declared surplus, and then there was such a delay in War Assets turning them over to the veterans. That is what we are having this meeting for this morning. Let us get at that. I as chairman rule that is what is before us, not this question of new cars. We can take that up later. Let us get at the business that we decided to deal with this morning because we have got a quarter of an hour until one o'clock. I think in that I am stating what is true.

Mr. KIDD: May I take the time of the committee for one moment now? Mr. McIlraith very kindly informed this committee that the Order in Council—

Mr. McILRAITH: It is not an Order in Council, motor vehicle order.

Mr. KIDD: Of March 26 amends in effect the one of August, 1945.

Mr. McILRAITH: As to trucks.

Mr. KIDD: I should like to clear up a point. I think this should be cleared up. In Kingston three weeks ago the local office there issued over thirty permits. These boys went down and ordered their cars. When they went down to pick them up they found for some reason the local office would not let them have them. Instructions came from Ottawa saying they would not grant them cars. Here is the situation. One was a young commercial traveller who could not do business without a car. The second was a boy who wanted to start a taxi stand. He did not have a car before. The third was a young boy discharged from the air force who wanted to get into the radio station business and needed a car. Mr. McIlraith announces this morning that these boys can get cars because they are returned soldiers even though they have not owned or operated a car before, but will these boys have a priority over civilians? That is the point.

Mr. McILRAITH: Yes.

Mr. KIDD: All right.

Mr. McILRAITH: Let me elaborate on that. They are included in class B priority which was a very restricted priority. There is no extension of the order as it affects civilians.

Mr. CRUICKSHANK: You say they get priorities there in category B. They do not get a priority.



Mr. KIDD: These boys will immediately put in their applications again. Why should these boys not have a priority?

The CHAIRMAN: I suggest that is a matter we can discuss later on. We have brought people here to give us information. I suggest we hear from them. I will ask the committee if they uphold me in that.

Mr. GREEN: I might speak to that—

The CHAIRMAN: I would ask for a show of hands if we are going to hear from these people or continue this argument about new cars.

Mr. PROBE: You will reintroduce it?

The CHAIRMAN: Of course. The committee is the master of its own procedure but it is a matter of deciding which we will do. We have ten minutes. I would ask for a show of hands. Those that wish to continue this argument about new cars and this question of priorities on new cars and new trucks, I would ask them to raise their hands, those that wish to continue that argument.

Mr. GREEN: On a point of order, I think this came up because there was some mention in the House the other day of the question of priorities. The Minister of Reconstruction said he would appear before the committee. I do not think that was restricted to surplus war assets. I am not sure.

The CHAIRMAN: That was the understanding I had.

Mr. GREEN: In any event, Mr. McIlraith has come here to-day and has made a partial statement. He has been asked some questions. Surely it is not fair to simply draw a line and say, "Well, A can ask a question but B can keep still."

Mr. CROLL: Why do you not let us exhaust this?

The CHAIRMAN: The point I am trying to make—

Mr. GREEN: I have not made my point yet. We are simply trying to get at some of these facts. Mr. Berry is not going to get very far in ten minutes anyway.

Mr. CRUICKSHANK: He won't get anywhere.

Mr. GREEN: I suggest you let us ask Mr. McIlraith one or two questions otherwise the whole subject is left half dealt with. It is left half in the air. I know I wanted to ask a question, and I do not see why I should be ruled out of order and be told to sit down when other people were allowed to ask questions.

The CHAIRMAN: It was not you. I was making a general ruling.

Mr. GREEN: I stood up and you ruled against me and gave the floor to Mr. Mutch.

The CHAIRMAN: I do not want you to think I am ruling against you.

Mr. MUTCH: Your point of order is better than your mathematics.

Mr. CROLL: May I suggest this? Mr. Berry and his assistant are not going to get very far in the next ten minutes with this committee. Mr. Berry is in Ottawa anyway, and Mr. Birchard perhaps wants to be in Ottawa for the next couple of days. Let us finish with Mr. McIlraith when we are in the mood to take him right now and there is ten minutes. It will be an education for the other two.

Mr. McILRAITH: I think I ought to make one thing clear to you. The minister intended to be here and unfortunately we have a council meeting and apparently demanding him too, and we got into a little difficulty, but I do want to express his regret for not being here. It was intended he would be here. I might also say that the motor vehicles controller is sick today and was out of his office yesterday.

Mr. CRUICKSHANK: He has been sick a long time.

MR. McILRAITH: He was out of his office yesterday and today. Hence I am here to give what information I can. I will give as much as I can but I do not assume to be an expert on the subject at all.

THE CHAIRMAN: That is just the point.

MR. McILRAITH: I will give all the information I can on this. The president of War Assets is in Ottawa. We can get him here any time. As to Mr. Birchard I should like it if we could give him a little more notice to bring him here from Montreal.

MR. GREEN: There is one question I should like to ask. If you do not want to go into these questions in further detail today I would ask you to find out from the proper authorities. Why is it that a veteran who is trying to set himself up in business and cannot do that unless he can get a truck is not included in the A priority? There is a time element in re-establishing these men if they are to be re-established at all. If they need a truck they have got to get that truck quickly. I should like to know why they have not been included in the A priority.

THE CHAIRMAN: If I might suggest, Mr. Milne, the motor vehicles controller, has all that information.

MR. McILRAITH: He is going to leave.

THE CHAIRMAN: Well, there will be somebody left to carry on his work, I hope.

MR. McILRAITH: I think I can answer that. Perhaps I cannot answer in detail but there is one thing I should like to point out, that a veteran if he is in the types of business listed in category A will get his A class priority.

MR. CRUICKSHANK: If he is in A.

MR. McILRAITH: But if he is not in that type of business—what are you going to do, for instance, with certain of the police services that are in a rather embarrassing position?

MR. GREEN: He would have to take his chance with the other people in the A priority but why should he not be put in the A priority rather than in B?

MR. McILRAITH: I see your point; you want to know why he is not in "A" rather than in "B".

MR. GREEN: Yes. I mean the veteran in good faith is trying to become re-established in a business which requires a truck.

MR. McILRAITH: I will try to answer that.

MR. PROBE: I would like to make one statement on the record before we adjourn. I received a letter just this morning from the Citizens' Rehabilitation Committee.

THE CHAIRMAN: If I may make a statement to clear up my own position, then you can go on as long as you like: I asked that these gentlemen be brought here from Montreal to make a statement to this Committee. We have already engaged ourselves to hear the non-pensioned widows this afternoon between two o'clock and three o'clock. I think we might hear from Mr. Birchard so that we will not have to bring him back again to-morrow, or bring him back to Ottawa again next week. He is here now. I take it that it is the desire of the Committee that he should not be heard now, that we should hear from him to-morrow—if that is the will of the Committee.

The statement of the Minister took longer than I expected it would and I had thought that if Mr. Birchard was permitted to make his statement the Members could have it before them for study, and they would have an opportunity of asking him questions to-morrow. This question about new cars is something on which the experts of the Department should be here to give actual

figures, and also to give the reasons for the Departmental action; that would be the Motor Vehicles Controller, and he is not here to-day.

The reason for my making the statement I am now making is that, of course, now we want to proceed in an orderly manner as we had agreed to. My only reason for making this statement is to try and see that we do that. As your Chairman I am trying to do the job which you gave me to do. I still think we should ask Mr. Birchard to make his statement about what he has to say, then we could ask him to remain over until to-morrow when we can ask him questions on it; and then take up this question of new cars whenever the Committee decides to take it up. Also we will ask Mr. Milne, Motor Vehicles Controller, here to explain why certain policies have been followed.

Mr. CRUICKSHANK: Could he do it in the time available?

The CHAIRMAN: I imagine he could do it in two or three minutes. Mr. Birchard, how long would your opening statement take?

Mr. CRUICKSHANK: It would probably take too long anyway; it would probably take a week.

The CHAIRMAN: It is a simple question which the committee wanted to know; that was, why it is not possible for our Department to certify a veteran as needing re-establishment so that he could go to your offices throughout Canada and get a preference in getting the things which are controlled by the Departmental Committee instead of their being held there waiting for a Government Department to decide that they do not want it and then having to go through ordinary channels. Now the Committee felt that that meant red tape, inter-departmental delays and the holding up of vehicles that were badly needed, snarled up in this system of priorities which has been set up; and I understand there has been a submission made to your department to the effect that if a man is certified as a veteran who needs re-establishment he should be able to go with that certificate and get any truck or vehicle you might have. That was the purpose of the Committee. You may not be able to deal with it in the short time at your disposal, but that is really what the Committee had in mind; why it took two or three months to secure a truck or tractor which a veteran needed and put it through the ordinary civilian channels. Now, that is what the Committee really had in mind I think, that is what they wanted you to explain. How long will it take you to explain that, Mr. Birchard?

Mr. WRIGHT: I think we want to know for instance, why the Department of Veterans Affairs should not be able to go to War Assets Corporation and buy the requirements of the veterans themselves for distribution to the veterans rather than have the veterans—and the veterans are all over Canada,—go to War Assets Corporation which is down here in Montreal. The Department of Veterans Affairs have offices all over Canada, for instance, the offices of the Veterans' Land Act. Why cannot the Department of Veterans Affairs buy the requirements of the veterans from the War Assets Corporation and make them available right across Canada in their offices?

Mr. CROLL: And they have the priority.

The CHAIRMAN: I move we adjourn.

Mr. SINCLAIR: Another thing we want to know is why they have a lot of this equipment stored in a hangar at Jericho Beach, why it has not been turned over to War Assets. Our war veterans are anxious to get started.

The CHAIRMAN: That is a matter for our National Defence Services to explain; why the delay. That is not a matter for War Assets. Is there anything else which anybody else would like these gentlemen to prepare themselves to answer?

Mr. CRUICKSHANK: I would like to have them prepare to answer why War Assets have an airdrome at Jericho Beach full of war assets and the veterans



can't get them without delay. And also Mr. Berry, when you sell a man a truck with a registered licence serial number on the engine for a man to use it in business, why at the end of the month you try to substitute an old wreck that you could take away on a wheel barrow, and one with an entirely different serial number?

The CHAIRMAN: I think these gentlemen will know what they will be required to answer, so that they may be able to prepare themselves as well as possible. I stated what I thought was the main thing the Committee had in mind. That has been supplemented by Mr. Wright and Mr. Cruickshank. Is there anything else, so that these gentlemen may be prepared; is there anything else the Committee had in mind which we have not covered?

Mr. HARRIS: Are we to understand that these gentlemen are going to deal with the whole situation?

The CHAIRMAN: I think that whatever statement they make will have to be subject to the desires of the other Committees who will want to hear from them. I understand these gentlemen will be available to answer questions in this Committee.

Mr. Mutch: In view of that, Mr. Chairman, I think that we should have a brief statement from Mr. Birchard. At the moment there is not time for him to make a statement, or for any questioning. I think we should adjourn, Mr. Chairman, and continue this business to-morrow.

The CHAIRMAN: The question is, gentlemen, do you want to go on with the matter on Friday—that is to-morrow?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: I understand that Mr. Berry and Mr. Birchard will be here to-morrow at eleven o'clock. Now, I know the committee is very interested in the matter of the release of cars and trucks, mainly, but the question comes up whether our interest is confined to those items or whether it will extend over into other articles which War Assets Corporation handles.

Mr. CRUICKSHANK: The whole thing—tractors.

Mr. McILRAITH: There are thousands of items, and you get into a field that is going to come in sharp conflict with the demands of the War Expenditures Committee which is bringing these witnesses before them, if you go into other items. I presume you are mainly interested in trucks and possibly tractors, and things of that nature.

Mr. CRUICKSHANK: Machinery, boats, lathes—anything that interests the veteran.

Mr. GREEN: I think I am correct in saying, Mr. McIlraith, that everyone on this committee is very much interested about the way the veteran is being treated when he tries to get this equipment. We do not think he is getting a fair deal. I believe we will be very reasonable with regard to witnesses who are unable to be present on a particular day, but we want to get at the root of this matter because there is considerable uneasiness in our ridings.

Mr. McILRAITH: What about ships? I do not think the veterans are primarily concerned with the larger ships. The point is that I do not think the committee is any more concerned about veterans than are other members of the House.

Mr. CRUICKSHANK: I do not know about that. It is our responsibility.

Mr. McILRAITH: If we attempt to bring you all the witnesses on all the subjects it is just going to snarl up everything and come into conflict with the War Expenditures Committee.

Mr. CRUICKSHANK: It is so badly snarled up now that it does not matter.

Mr. McILRAITH: If you could give us some indication of what you want—

The CHAIRMAN: I suggest that the committee hear Mr. Berry and Mr. Birchard to-morrow and use the time at our disposal in questioning them; then, arising out of what happens to-morrow, the committee may decide that it wants to hear from other witnesses. I suggest that Mr. Berry and Mr. Birchard be here tomorrow morning at 11 o'clock to make statements and answer questions; but we do not, of course, intend to bind ourselves that we will not go into other things if we feel that we should. We will start off on trucks and cars and so on. You are ready for that?

Mr. McILRAITH: Yes, that is right.

The CHAIRMAN: Now, there is another matter which I wish to bring before the committee. After consulting with the steering committee I suggested to the widows who are meeting in Ottawa that they could appear before the committee between 2 and 3 o'clock this afternoon. I do not like to do that because of the fact that we have already sat to-day, but they said that they were here in convention, and I thought it might save them another trip down if we heard them. I invited them to be here at 2 o'clock this afternoon. I hope that meets with the approval of the committee.

The other matter I wish to mention to the committee is with regard to the flag committee. That committee has a large number of designs—I do not know how many, but the number is large—which they wish to display for the inspection of members of the House and of the Senate in some place large enough that they can be inspected, and this is the only room which is large enough to hold the display; so I took it upon myself to agree that for a couple of weeks we would give up this room and meet on the fourth floor and let the flag committee display their designs. I hope that does not meet with the disapproval of the committee. I felt that we should make way to that extent because every member of the House is interested in these designs. That is all I have to bring before you, gentlemen, to-day, so we will adjourn until this afternoon at 2 o'clock.

The Committee adjourned to meet again at 2 o'clock p.m.

---

The Committee resumed at 2.00 o'clock p.m.

The CHAIRMAN: Gentlemen, just before we call on the ladies who are here to make a presentation to us, I overlooked in the excitement of this morning the report of the steering committee. It reads as follows:

Your steering committee met on Tuesday, March 26, and recommends that the following matters be considered in the order named:—

1. A bill to amend the Veterans' Land Act, 1942;
2. A bill relating to Fire Fighters and Supervisors in the Auxiliary Services;
3. A bill to amend the Soldier Settlement Act;
4. A bill to extend the benefits of veteran legislation to Canadian ex-members of the W.R.N.S.;
5. A bill to amend the Pension Act.

In connection with the Veterans' Land Act, what the steering committee thought they would like to see dealt with was, the proposed amendments which have been under discussion for the last several weeks and which will be brought before the committee, and which they thought it would be a good thing to endeavour to put through at once.

As to the firefighters and supervisors, we had them before us last year, and the steering committee felt that we could dispose of their problem at once.

As to the Soldier Settlement Act, that had to do with the reducing of the interest rate from 5 per cent to 3½ per cent. That is already in force, but a bill has to be passed to cover it. I suppose when that bill comes down anything else anyone wants to bring up can be brought up.

It is the wish of the steering committee that we should not engage in any long debates on other matters which would delay the hearing of the Pension Act proposals.

That is the report of the steering committee. Is it your pleasure to adopt it now or later on, after discussion?

Mr. QUELCH: It was thought that the Veterans' Land Act would come back this session.

The CHAIRMAN: Yes.

Mr. SINCLAIR: You mentioned the firefighters and the auxiliary services, does that include the Red Cross and the St. John's Ambulance?

The CHAIRMAN: No. We felt that if we introduced all the civilian people it would delay things so much it would not be justified in view of the fact that the Pension Act was still to be dealt with. The reason these people were mentioned was because of the fact that they have been before us for sometime.

Mr. SINCLAIR: We would discuss these other matters later on.

The CHAIRMAN: That would be a matter for decision at that time.

Mr. Mutch: Were they not included before?

The CHAIRMAN: No, just the supervisors and the firefighters. We have had them here before and we have been putting them off and putting them off, and it was the feeling of the steering committee that they should be dealt with.

Mr. CRUICKSHANK: Were not the merchant marines discussed last year?

The CHAIRMAN: Briefs were submitted and they are summarized in the interdepartmental committee report. There is no intention not to deal with them this session, it is a matter of order.

Mr. WOOD: The firefighters and supervisors are named merely to put in statute form what is at present being done by order in council.

The CHAIRMAN: Of course, there will be some amendments.

Mr. SINCLAIR: There was an order in council on the St. John's Ambulance.

Mr. WOOD: On the St. John's Ambulance?

Mr. SINCLAIR: Yes.

Mr. CRUICKSHANK: And on the South African Nurses.

Report of the Steering Committee adopted.

The CHAIRMAN: Now, gentlemen, we have a delegation from the Canadian Non-pensioned Veterans' Widows Association. Apparently Mrs. Wainford is the president, or the corresponding secretary, perhaps she will come forward and make her presentation or introduce those who are to make it—Mrs. Wainford.

Mrs. W. WAINFORD, President, Canadian Non-pensioned Veterans Widows Association, called:

The WITNESS: Mr. Chairman, the ladies with me, comprising our delegation are the following:—

Verdun, Quebec .....	Mrs. M. Wainford
	Mrs. J. Johnston
Toronto, Ont. ....	Mrs. L. Whitworth
	Mrs. L. Caunt
	Mrs. H. Hickey
	Mrs. M. Evans
Hamilton, Ont. ....	Mrs. K. Blenman
Winnipeg, Man. ....	Mrs. A. Coiner
	Mrs. D. Lowther
Vancouver, B.C. ....	Mrs. E. Darville



The CHAIRMAN: Now, Mrs. Wainford, will you proceed with your presentation, please.

The WITNESS: Mr. Chairman, and members of the committee: From a letter which we received from this committee, I understand that we are privileged until about ten minutes to three o'clock to lay our case before you. We would like to do it as briefly as possible, but if there are any suggestions, or any questions; we might discuss the various items in the line of resolution which I am anxious to place on *Hansard*. If you have a copy of the *Hansard* of this committee before you, you may be able to find it there; if not, we have a few copies of our resolution which we could pass around.

We come in a different capacity from some of the larger organizations. But we have here in the *Hansard* of the veterans committee, dated December 15, twelve resolutions which were submitted to this committee by our association, and we would like to take the opportunity of going through them and give the members here an idea of what our organization is doing and how long we have been trying through the medium of briefs and petitions to get various grants from the government for non-pensioned widows of the great war of 1914-1918.

In 1941, four ladies, two from Toronto and two from Quebec, appeared before the committee set up at that time in this same room, and we spoke on behalf of the widows, of the circumstances and conditions under which they were living. At that time we sent in our briefs and petitions and were heard. And I think we have one member here to-day, Mr. Quelch, I do not know the other members, who sat at that time on that committee; and through their efforts in 1943, under the pensions minister of that time, now the minister of Veterans Affairs, the non-pensioned widows were placed under the Department of War Veterans' Allowances. The War Veterans' Allowance Act at that time only covered certain classifications or categories of non-pensioned veterans' widows under an order in council which is registered in your committee book. We have them here and I would like to read them out. Our first resolution reads:

We resolve that the widow's allowance, now payable under the War Veterans' Allowance Act, be raised to forty dollars (\$40.00) per month and that this amendment apply to all non-pensioned widows whose husbands served in any of His Majesty's Canadian armed forces whether in an actual theatre of war or otherwise.

The law at the present time says that only a widow whose husband served in an actual theatre of war can be granted this allowance of \$30.41 per month. I am fully aware, and I think every member sitting here knows the law; but we at the present time in our briefs and petitions to the government are asking that this allowance be granted to non-pensioned veterans' widows where their husbands served in an actual theatre of war or otherwise. This is an injustice to us because we feel that there are many widows who are drawing a full grant of pension and have been drawing it over the last ten or fifteen years—\$60 a month, although their husbands never left the shores of Canada, because these men incurred sickness or disability that qualified them to draw that pension, and that automatically went on to the widow. But where a woman has had no pension, through no fault of her own, that does not seem good to us. We were not covered by pensions or otherwise until they placed us under the war veterans' allowances. We feel there has been great discrimination there between the two classes, and that these non-pensioned veterans' widows should be covered under the War Veterans' Allowance Act. We only get this allowance in necessitous circumstances. There is a means test which is applied to us before we can get this allowance, so I do not think the total amount involved would be very high. Some of the officials seem to think that if they took in all the non-pensioned widows the amount of money required would run it up

excessively. We do not feel so because there are a certain number of these non-pensioned widows who are working. They would only be eligible if they came under the means test. And now, I would like to move on from that to the next one, because I know that our time is limited. Our second point is:

That legislation relative to war widows, under the War Veterans' Allowance Act, be made permanent.

I would like to say in support of this item that when we were first placed under the War Veterans' Allowance Act that it was by order in council, and I understand now that the orders in council have been made permanent since parliament opened in last October; so we just brought that to your attention. But we really feel, and I think we are fully advised, that as all the orders in council during the war period are now embodied in one Act it takes the form of permanent legislation, and that meets that point. Could any of the members advise me regarding that?

Mr. GREEN: It is the intention that that be done, but it has not been completed yet.

The CHAIRMAN: When we pass this bill; it will be done but it is not done yet.

The WITNESS: Then it has not been done yet?

The CHAIRMAN: No.

The WITNESS: But it will be through the medium of this committee?

The CHAIRMAN: Yes.

The WITNESS: Then I pass on to item 3:—

3. Whereas hostilities now have ceased, many veterans' widows between the ages of forty-five and fifty-four years, who have been employed during the war years, now find themselves unemployed and unemployable. We ask that the age limit be removed.

We, in our order, have discussed that very thoroughly. We notice that the age limit is now fifty-five, but we are going to leave that to the discretion of the committee, the War Veterans' Allowance Committee, to act on that as they see fit. We know that the War Veterans' Allowance Committee spends this grant. When a widow applies she can only get it if she is able to pass the test whether she be forty or forty-seven, and she must be unable to work. If there are any other amendments which can be made to reduce the age limit we will leave that to the discretion of the board.

Then there is number four:—

That son or daughter of a veteran, irrespective of age, who is so incapacitated by physical or mental disability as to be incapable and not likely to become capable of earning a livelihood, be eligible for orphans' allowance.

That is something that should be considered by this committee. We understand that there has been or is to be something discussed where a child, an adopted child, would take the place of a child under the Pensions Act. We have been advised of that. I do not know just how agreed it is. But we feel in many cases—I am going to cite one case, which will apply to all our branches. We have the case of a woman who has a son an imbecile, thirty-two years of age. One might feel that this chap possibly should be in a home, an institution, but he is being looked after by his mother. The mother has drawn a war veterans' allowance of \$30.41 a month but she gets no compensation at all for this young man, who cannot look after himself. I have seen the man in question. He is absolutely unable to do anything for himself. The mother is not allowed to work to make enough to be able to take care of herself and him, therefore he is left pretty much at the mercy of any one

who will be kind enough to help look after him. I think in a case like that it would be well if this committee would go into such cases in which families are willing to keep their children, their sons or daughters of this type. It was the thought of our committee, and no doubt this committee will agree with it, that it costs the government much more to keep an imbecile child or children in an institution than it would to give a mother her \$30.41. We discussed this very thoroughly with the war veterans' board here last year; in fact, we had the privilege of having a whole afternoon to go through our resolutions—Brigadier Melville, Mr. Marsh and the doctor for the department, and all the board were there. They thought that this woman was really looking after her dependent at least as far as this child was concerned.

I now come to Resolution No. 5 which reads:—

Whereas we recommend that an amendment to the War Veterans' Allowance Act be made whereby all veterans and widows, in receipt of the allowance, receive free hospitalization under the Department of Veterans Affairs.

In our opinion this is something that is very badly needed. We also discussed this very thoroughly last year, and we were asked what suggestions we could give the Board with regard to this item. I was spokesman for the group at that time too, and I made a suggestion that, when a widow applies or puts in an application for the War Veterans' Allowance and she is granted this sum of money, the government through their various departments could supply these widows with a card that would allow them at any time to go to the hospitals in the various towns and provinces and get free medical care. I am not going into each province. It is too bad that our time is limited for I should like to do so, because each province of this country of ours works on different laws. As to the province of Quebec, I am coming definitely to their situation. Probably some of the other branches might get this one item in. In the province of Quebec, however, a widow or anybody else is in this position. If I had to go to hospital and consult them under the War Veterans' Allowance Act, they will ask me for a dollar for my card when I go to the desk. If I am not able to pay a dollar, they will take 50 cents, but 50 cents off \$30.41, is a serious thing. Probably you have to have an X-ray, so you have to pay \$2.50 instead of \$5. Then you have got to get your medicine on the same day. I know women who have gone to the hospital under this pittance of allowance, and it has cost them nearly \$4 in the day before they got out the hospital door; and that was only going to the clinic. Speaking for the delegation here, I think that something should be done by this committee as far as free hospitalization for the non-pensioned veterans' widows is concerned. \$30 at the present time is only a drop in the bucket—am going to put it that way—to try to keep life in these women. Most of the women have to pay rent. If they are living in a flat, the cheapest flat you can get is \$15 a month. Then when you take your coal, your gas, your light, your water and everything else out, you have nothing left to eat, never mind putting clothes on your back; and that is a very important matter.

I should also like to bring out Resolution No. 6 which reads:—

Be it also resolved that representatives of the Non-Pensioned Veterans' Widows Associations be called before the War Veterans' Allowance Board, at their discretion, to discuss problems appertaining to the widow.

After we had been called in in 1941, we put that in our resolution, figuring that when the War Veterans' Allowance Board were in operation at least we would be privileged to come before them and discuss our problems as we are trying to do today. We have met in Ottawa for the past seven or eight years, the same group of women, trying to petition members of parliament, trying to



interview members of parliament, trying to make contact with ministers of the cabinet; and sometimes we are better off before we ever come because we can make no contact with anybody. We have been trying for the past three or four days to have an interview with the Prime Minister, and the Minister of Veterans Affairs and others such as them, with no results. As a Dominion organized group of women we feel that we should be properly treated when we try to bring representations here. We feel we are properly organized and that we should be called before such committees as this or the War Veterans' Allowance Board; at that time we put in the War Veterans' Allowance Board because we did not know at that time that such a committee as this would be set up again to deal with these matters. That is why that is on the resolution.

Coming to No. 7, it reads:—

Whereas we recommend that broader consideration be exercised with regard to the deserted wives whose circumstances, in many cases are urgently needful and worthy of consideration.

That would be left to the jurisdiction of this committee, because we find this is a very complicated affair, the matter of the deserted wives; and we have discussed that both with Mr. Gagnon who is Chairman of the War Veterans' Committee and Brigadier Melville who is Chairman of the Pensions Committee. We have had splendid interviews with these men and they have enlightened us on many many points. So we will leave that to this committee to act on our behalf. We will take what they give us on that one item.

Resolution No. 8 reads:—

Be it resolved that dependent mothers with sons who died as result of service in any of His Majesty's Armed Forces, be granted a permanent pension of sixty dollars per month equal to the amount paid to a widow.

As it does not read properly, we have been advised to change that to read: "Be it resolved that mothers dependent on unmarried sons" and so on. We are only asking for this to cover \$60 a month where the mothers have been dependent on their families. We find that in many cases we have widows that we can say are widows from the first war of 1914-18. We have these widows who have contributed in the last war anywhere from one to four and five sons. We have cases where these widows have worked and brought up these families, have sent these sons into the last war and one son would be killed. The mother was drawing the allowance from the boy, the allowance from the government; and at the time of the boy being killed she is put through a means test and if the board or the government feel that they should only give her \$40 pension instead of \$60—which is what the wife gets when the husband is killed—that is what she gets. When a husband is killed a wife gets \$60, but if the son is killed, the dependent mother is paid an amount that is left to the discretion of the government. We had one case definitely brought to our attention where a widow had three sons. She was a widow from the first war. One of her sons was killed, the eldest one. She was given \$40 a month as a pension and her other sons are supposed to keep her. We went into this resolution with Brigadier Melville yesterday, and the information which he gave us was very important to us, and we see his way. We are never afraid to see the way of somebody else, to look at both sides. Brigadier Melville assured us that at any time her sons get married she will be able to apply to the government for the \$60. I thought I should like to let you know, when that was read, that we are fully aware of the conditions and circumstances and that we know what is right from wrong. So it is quite well explained, I think, to you men; but nevertheless we had to bring the resolution before the committee.

Resolution 9 reads:

Be it also resolved that we appeal to the Dominion Government for the necessity of making prompt provision for the non-pensioned widows

of the Imperial veterans by the extension of the War Veterans' Allowance Act under the same conditions as the Canadian non-pensioned widow, provided such widows have been domiciled in the Dominion for a reasonable time.

I think that really fully covers our resolution, and I do not think we have taken up too much of your time. I should like to ask permission of the chair to have one of the other delegates take over. We should like to take as much time as possible. We know that you men want to get into the House at three o'clock; at least, the notice we received indicated that we would be allowed until three o'clock. We still have half an hour or twenty minutes. If any of our other delegates wish to come and speak on any of the questions, or if there is anything that any of the members here would like to discuss with us, and there may be other things, we should be glad to do so. I should like at least to call on Mrs. Johnston. I think I am not doing anything out of order as far as our other delegates are concerned, as Mrs. Johnston is an Imperial widow and works very hard for the Canadian part of it. I should like to call on Mrs. Johnston, with the permission of the Chair, and ask her to take over and to make an appeal to this committee in regard to the Imperials. We have your permission, Mr. Chairman?

The CHAIRMAN: Yes.

The WITNESS: Thank you.

The CHAIRMAN: Please come forward, Mrs. Johnston.

Mrs. J. JOHNSTON, Verdun, Quebec, *called*:

The CHAIRMAN: Just proceed, Mrs. Johnston.

The WITNESS: Mr. Chairman, and members of this committee, I am called upon to speak about the Imperials. Being an Imperial widow, if I were to go into details I could give you a real hard case, but I will not do that. I do not want to be personal. But I am really here to speak of the widows of the Imperials, or the ex-Imperials. They have had a very hard time. Many of them emigrated here to help the health of their husbands. I can say that is so, for I did it myself. My husband came here for six months for his health. He liked the climate and he asked us to come, so my family and I came. He lived for fourteen years after that, and I may say that his family had to help to keep him all that time. We were able to keep him, but there are many unfortunate cases where the Imperial soldier had no one to support him very much, although he came to Canada and had to suffer great agonies, pain from his disabilities and inconvenience and hardships financially. We have been making appeals. I appealed here in 1941 with our other delegates and I really dealt only with the Imperial widows, because they are a group of women who are completely left out. There is nothing for them, and there are not so much in the cities now. Some of the cities are not giving relief and it leaves them in a very bad condition. The only thing I can do is to appeal to committees such as this, or individuals that are in the government or in the opposition who I think will help us in any way. I have really tried to appear at every convention of the Canadian Legion and send in a resolution to go along with the veterans' resolutions. This is one of the resolutions which I offered at one time:—

Resolved that this convention view with apprehension and extreme sincerity the number of Imperial widows resident in the Dominion whose claims for pensions have been rejected in the past by the British Ministry of Pensions; that in view of the urgency of the need of the widows of the Imperial servicemen whose disability did not warrant a pension we plead that if our continuous presentation of the said cases to the British government be impracticable we further resolve that the Dominion government be petitioned to give some consideration to the need of the widows who

are in necessitous circumstances, the result of their husbands being unable to provide for their future, many of those dying a premature death owing to war service. Therefore grant to these widows an allowance at least enough to save them the humiliation of having to accept charitable assistance, that where there is a family they be saved the penalization of having to assume the whole burden of their dependent mothers. Many of these widows have been domiciled in the Dominion for twenty years and over.

I have been domiciled here for twenty-three years. There are many of the widows much longer than that. So that my appeal is that you gentlemen will consider the case of any Imperial widow whom you know or Imperial ex-serviceman and put it forward as best you can, give your word on it and your opinion on it so that in the days to come it will help the widows who are still to come of the Imperial veterans.

Mrs. WAINFORD: Can we still take advantage of another ten minutes?

The CHAIRMAN: Yes.

Mrs. WAINFORD: I wanted to ask if there were any of the other delegates who would like to say anything before this committee.

Mrs. LILLY WHITWORTH, *called*:

The WITNESS: Mr. Chairman and gentlemen: There is one resolution I am especially interested in. As you know the War Veterans Allowance to the widows does not start until that widow becomes 55 unless she is physically or mentally incapacitated. Happening to be under 55 and speaking for those women like myself I would like to state that I have been a widow for 14 years. I brought up my family alone and have given three sons to the service. I still have a boy of 14 attending school. I have been in receipt of the dependents allowance for one son who unfortunately has been returned to me in a very bad neurotic condition. I have this younger boy. If I was on mothers' allowance in our province the amount I would receive would be \$42 a month. If I was 55 under the War Veterans' Allowance Act I would qualify for \$60 a month. I feel that it is not the widow who is being done wrong by as much as it is the child, my child. Why should I only get \$42 because I happen to be under 55 whereas my neighbor who might be 55 for her son would have an income of \$60 a month? Of course, they say that the veteran does not get it but they must bear in mind my boy is also a veteran's son whether his mother is 52 or 55. I thank you, gentlemen.

Mrs. WAINFORD: We have another speaker, Mrs. Darville from British Columbia.

Mrs. ETHEL DARVILLE, *called*:

The WITNESS: Mr. Chairman and gentlemen: The question I am mostly interested in is the imbecile child. In the west we have a very serious case. This boy shot his father. No doubt you know. Perhaps you have heard of it. This boy shot his father. The reason why the boy shot his father was because the father had come home from the first great war in a very serious condition mentally and physically. He was at the time living on the burnt out pension which was a very small amount at that time, \$20. They were living in Port Moody. Perhaps that will bring the memory of our Vancouver members to the case. This man really was a very, very hard case for the woman to live with. She had been advised several times to put him in an institution, but she being his wife and he being the father of her children she did not like to be too drastic. However, the boy caught his father being very, very unkind and cruel mentally and physically to his sister, this man's daughter. Now, you understand, gentlemen, what I am alluding to without putting it in plain words, but you can have the



truth if you want it. This boy's mother rushed to try and save her daughter from disgrace but in the rushing the father went to shoot the mother and the boy shot the father and killed him. That boy did get off scot-free. However, this child who is now 21, and I was discussing this same case yesterday, is in an institution; needless to say she would be there, and the mother is appealing that she just gets the amount of money which is \$10 a month given to her in addition to her \$30.41 to enable her to give that child the little decencies, the little dainties, make her clothes and give her little things which really belong to the child. But owing to the way the Act is written up, because you have no women on the Pension Act, you do not understand the women's picture, and there is no provision made for that child. Therefore that mother has to deny herself out of that \$30.41 to give that child a few little dainties. Gentlemen, I do think when you and your committee stop, think and weigh these things out you will in time see the woman's picture. I thank you.

Mrs. WAINFORD: If we take another five minutes it will only be a quarter to three. There is one item I would like to bring to the notice of this committee. It is not on our resolutions, but as we are bringing up these individual cases I would like to say that where the widow under the War Veterans' Allowance Act gets \$30.41 a month she can have \$125 a year casual earnings on money from any other source. Am I correct, Mr. Chairman?

The CHAIRMAN: That is right.

Mrs. WAINFORD: I am bringing a direct case to you so you will understand what I mean. We have a widow in the province of Quebec. She gets \$30.41. She has a little home away out in the country. She cannot live in it but she has rented it to a family. Naturally during the war the family was frozen into it. She could not put them out and they would not move out. The rent is \$10 a month which is \$120 in a year. May I ask Mrs. Johnston to give me the correct figures that Mrs. Thibodeau gets from the War Veterans' Allowance?

Mrs. JOHNSTON: \$10 a month less, \$22.41.

Mrs. WAINFORD: \$22.41. Now, the law tells us this is actual set income, and that \$10 a month which does not exceed \$125 that the widow is entitled to get by actual earnings or money from any other source—as long as that widow could draw that money, \$10 a month with the \$30.41, she is entitled to do it in one way but she is not entitled to do it in the other. As long as the widow does not exceed \$125 a year what is the difference in the law being amended to allow that widow to get that \$10 a month for her home over and above the \$30.41 that she draws under the War Veterans' Allowance Act. We have cases where I might be able to get \$30.41, and I can go out and make \$2.50 a week. That is all we are entitled to make, \$2.50 a week. Take Mrs. Johnston who is 69 years of age. I will give you her age. She is 69 years of age. She is getting \$30.41 but she cannot go out to work. I am privileged because I can do that, and she cannot. Maybe she has a little house, and because she has \$10 coming in from that she gets it deducted off \$30.41.

Mr. GREEN: You mean they do not allow that to be classified as casual earnings?

Mrs. WAINFORD: Absolutely they do not.

The CHAIRMAN: The reason for that is when the allowance was raised from \$20 to \$30 the ceiling in the Act was not raised at the same time. That is under active consideration now to raise the ceiling to take care of this very thing.

Mr. LENNARD: She does not get the clear \$10 a month. She has taxes and insurance to pay on that.

The CHAIRMAN: They will take that into consideration. •

Mr. WOODS: They allow them taxes and insurance.

The CHAIRMAN: It is only fair that the ceiling should have been raised at the time the allowance was raised because when the allowance was raised up to the

ceiling we should have let them have some earnings. That is under very active consideration now.

MR. GREEN: You mean they should have been allowed to earn say, \$10 or \$15 a month over and above—

THE CHAIRMAN: In addition to the casual earnings.

MR. GREEN: And then have the casual earnings of \$10 a month over and above that again.

THE CHAIRMAN: That is under very serious consideration, gentlemen, because it is obviously very unfair.

MRS. WAINFORD: We really feel that is a great injustice.

THE CHAIRMAN: It is unusually unfair because if you were living in the house it would not be taken off your income. It is unusually unfair.

MRS. WAINFORD: That lady came to me and asked me what she could do about it because evidently the people who are living in there are not in a position to pay even the \$10 a month. This woman, a member of the association, came to me about it. She is one of these types of women who just could not put somebody out on the street, and she would not go about it in regular fashion to put any pressure on them to get that \$10 a month, so that most of the time she is losing the \$10 a month.

THE CHAIRMAN: I might say that the War Veterans Allowance Board have brought before us these cases. They have reported on them and they are certainly being considered.

MRS. WAINFORD: That is very nice to know because we very seldom come here that we do not have these special cases to give to the various departments. I really do not think there is much more that we would like to say.

MR. MUTCH: I would not worry very much about that type of case. I think you will get it fixed.

MRS. WAINFORD: It is just because we would like to put it before you and give you lots of food for thought. Our delegation is hoping on behalf of all non-pensioned veterans' widows throughout the dominion that there will be something to our benefit after this committee has sat. We are looking forward greatly to that. There are quite a few things. After we close our convention and we draw up the literature we want to every member in the House once again will get a circular from us. We have been doing that repeatedly. We are very poor women but we can always get some charitable organization to help us along to send you fellows all these papers, but we are hoping when you get these resolutions and letters from us that you just will not look at them, tear them up and throw them in the wastepaper basket. We want you to take hold of them and do something for us. On behalf of the delegation that is here and all non-pensioned veterans' widows I wish to thank you and your committee for the privilege of being able to come before you. We will say goodbye and thanks.

THE CHAIRMAN: Mrs. Wainford, your presentation, and those of your associates, have been a model of conciseness. Certainly we wish to thank you very much for not trying to keep us beyond the time that we allotted to you. To have such a concise and clear-cut presentation is really a pleasure. Thank you very much.

MR. BENTLEY: Before Mrs. Wainford leaves, I wonder if I could ask a question dealing with that very matter. I understand there was a \$1,000 grant from some governmental source for your convention expenses. Are you receiving that this time?

MRS. WAINFORD: No. I am very pleased that one of the members of the committee brought that up because we did not feel we were in order to do so. I will take a few minutes and be as quick as I can. I will put ten minutes worth



in two minutes if I can. In previous years we had asked the government to allow us a supplementary grant to come to Ottawa. In 1943 we appealed to the government on that account and in 1944. The Minister of Pensions at that time, the Hon. Ian Mackenzie, now the Minister of Veterans Affairs, was the one with whom we dealt and Colonel Carmichael, the late Colonel Carmichael, and a few others. Through the late Colonel Carmichael's efforts I think this was really done in 1944 and 1945. In the estimates of the year there was a supplementary grant set aside of \$1,000 to pay expenses for us to come to Ottawa once a year to meet each other because the western provinces have no ways and means of making money. We are all right in Montreal. I am very fortunate to have a railway pass and I can come up here when I want, but we must meet our other delegates to go into our work, and they have absolutely no money. There are delegates here on borrowed money and they have got to find ways and means of making it up when they go back. They are so anxious to try to extend the work. There is not one of us here who is a paid servant by any ways or means. We are all working for charity.

It was from April, 1944 to April, 1945 and on February 27 we held our last convention here. We submitted our sheets to Mr. Marsh, then acting as chairman as Mr. Carmichael was sick at that time. We submitted our sheets with our expenses. The expenses for twelve delegates were \$819 and, of course, we really took it for granted that the government would subsidize us each year with a special grant. We have written on many occasions in the past year to the Hon. Mr. Mackenzie with regard to this question. We interviewed him with regard to the matter and we were told that it was absolutely no use; that nothing could be done about it. I am speaking very frankly. I am a Canadian Legion member and I know that there are quite a few members of the Canadian Legion here, but it has to be done in this way. We have brought to the attention of the minister the fact that the Canadian Legion get \$9,000 a year to help them carry on their work. Being a veterans' organization, I spoke to the minister and asked him to compare the Canadian Legion as a fully organized body, financially, and in every way with us as Canadian Legion members. I have been a member of the Canadian Legion and I was a member of the old G.W.V.A. for years, and I ask you to compare the two groups. We have no money. We beg or borrow but we did not steal to pay our way to come to Ottawa.

The Canadian Legion are so well financed, and they attend these committees and have their expenses paid, and the widows are left as the forgotten group. No matter where we go we always feel it is a case of get them in the door and out as quickly as they come in. We do not want to come here with that feeling and we want to know that the members are behind us. You are all men who have fought just as our men did. I want you to sit back and ponder how, if you were only working men drawing \$30 or \$40 a week, you could save enough to leave your wives independent. I want you to realize what we women went through during the depression when some of us were on relief. Remember our men fought for this country. Sometimes these things make us very, very bitter.

So I am going to leave it at that. So far as the expenses of our delegation are concerned, if this committee feels they would like to help us we would feel honoured to have the assistance; those from western Canada would be thrilled to death.

If there is any further recommendation you can make to the government as regards this little sum of \$1,000, we would like you to do it. It is nothing compared to the \$9,000 which the Canadian Legion receive. We do not think it is fair that one body gets the grant and another body does not; we are both veterans' organizations.

Mr. QUELCH: Did you receive the grant for only one year?



The WITNESS: Yes. We really understood that it was to be carried on for this year; but we will write to the minister and to the various committees and ask that the sum be placed in the estimates for 1946-47.

Thank you once again, gentlemen. It is five minutes to three and we do not wish to keep you longer?

Mr. GREEN: Mr. Chairman, is this committee not empowered to pay the expenses of witnesses who appear before it? If it is, I would move that we provide for the expenses of these witnesses.

Mr. BENTLEY: I second that.

The CHAIRMAN: Is it the wish of the committee that the expenses of this delegation should be paid?

Carried.

The WITNESS: Thank you, gentlemen.

The CHAIRMAN: We will adjourn now until 11 o'clock to-morrow morning.

The Committee adjourned to meet Friday, March 29, at 11 o'clock a.m.



V. Doc  
can  
you  
2.191  
1-2431

Session - Veterans Affairs  
Committee - 1946

SESSION 1946  
HOUSE OF COMMONS

---

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

---

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

---

FRIDAY, MARCH 29, 1946

---

## WITNESSES:

Hon. C. D. Howe, Minister of Reconstruction; Mr. G. J. McIlraith, Parliamentary Assistant to the Minister of Reconstruction; Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act; Messrs. J. H. Berry, President, and E. R. Birchard, Vice-President in charge of Merchandising, War Assets Corporation.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946





## MINUTES OF PROCEEDINGS

FRIDAY, March 29, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Vice-Chairman, Mr. J. A. Bradette, presiding.

*Members present:* Messrs. Archibald, Ashby, Baker, Belzile, Benidickson, Bentley, Brooks, Cruickshank, Drope, Emmerson, Fulton, Gillis, Green, Herridge, Isnor, Lennard, Marshall, MacNaught, Merritt, Moore, Mutch, Pearkes, Power, Probe, Quelch, Tremblay, White (*Hastings-Peterborough*), Winkler, Winters, Wright.

*In attendance:* Hon. C. D. Howe, Minister of Reconstruction;; Mr. G. J. McIlraith, Parliamentary Assistant to the Minister of Reconstruction; Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act; Messrs. J. H. Berry, President, and E. R. Birchard, Vice-President in charge of Merchandising, War Assets Corporation.

Mr. Berry was called, heard and questioned.

Mr. Howe and Mr. McIlraith answered questions arising out of the examination of Mr. Berry.

Mr. Birchard was called, questioned and retired.

Mr. Berry retired.

At 1.10 o'clock p.m., the Committee adjourned until Tuesday, April 2, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

March 29, 1946.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m. The Vice-Chairman, Mr. J. A. Blanchette, presided.

The VICE-CHAIRMAN: Gentlemen, I understand that the agenda this morning is to be a continuation of the discussion in connection with War Assets surpluses by Mr. J. H. Berry who is president of War Assets Corporation and Mr. E. R. Birchard who is president in charge of merchandising of War Assets Corporation. We also have with us Mr. A. M. Wright who is representing Mr. Woods, Acting Deputy Minister and J. W. Johnston, Acting Chief Welfare Officer, Department of Veterans' Affairs. I think it might be conducive to a proper handling of the meeting if we were to have first of all the remarks from these gentlemen, after which questions might be asked of them. Mr. McLraith will make a few remarks, first, I believe.

Mr. MCLRAITH: No. I have not anything to say.

The VICE-CHAIRMAN: All right then, Mr. Berry.

J. H. BERRY, President, War Assets Corporation called:

The WITNESS: Mr. Chairman and gentlemen, I must apologize for my brief not being as complete as I should like it to have been; but we started preparing it about four o'clock yesterday afternoon, ran through until eleven o'clock last night and started again at seven this morning. I have only one copy at the moment, but the troops are mimeographing copies as fast as they can, and they will be across here in a few minutes.

My remarks this morning are based on the premise that we would all like to give our veterans every advantage in their rehabilitation problems, and to indicate that we have given every possible thought as to how we can assist, without stopping or seriously crippling the problem we are working on. Our problem is the disposal of war surplus to the best advantage of the people of Canada as a whole, and with the least possible impact on continued employment. I would, therefore, like to outline to you several of the general principles under which War Assets Corporation is operating and later illustrate these principles as they apply to trucks in particular.

War Assets Corporation is not in a position and would not be in a position, in my estimation, for at least twelve months to go into retail business. In the first place, the setting up of a retail business to handle our volume of war surplus would involve the opening of retail stores in practically every town across the Dominion, as, if this was not done, proper and fair distribution could not be effected. To illustrate the volume we are handling, may I say that in January of this year we collected about fourteen and a half million dollars, in February just over sixteen million dollars, and in this month of March I expect our invoiced sales will exceed twenty million.

To establish a retail business to handle this volume would involve the employment of possibly 100,000 people on a comparatively short term basis and the 100,000 people who would be taken on by War Assets would, of necessity, take work away from people already established and working in distributive trades. Many of the people already employed in established distributive trades, which will continue long after the War Assets Corporation disposal job

is complete, are veterans. As an example of this, I would point out that a canvass of 800 motor vehicle dealers made six months ago, showed that on an average, 5·8 people in each dealer establishment were veterans of either the last war or the previous war, and this was before very many of the last war veterans had returned to Canada. I should imagine the number of veterans per dealer is now very much higher. I would also say there are approximately 2,200 established dealers in new cars across Canada, so that I have just quoted a fairly representative percentage figure.

Another point that might be mentioned is the fact that a War Assets Corporation retail organization would necessitate the taking over of innumerable buildings on a temporary basis. This, in view of the current severe shortage of business premises, would prevent the establishment of permanent business with the consequent permanent employment. I bring up this point of being in the retail business, as the only possible way in which War Assets Corporation could give preference to an individual veteran is through the medium of retail sales.

As regards priorities, I had a lot of experience in the application of this system during the war period and I found that priorities would not work when the purchasers or users in any priority class had requirements which exceeded or were equal to the supply. At this point priorities had to be thrown out and resort made to direct allocations.

As an example of priority not working properly, I might instance the mythical case of a steel manufacturer whose output was completely taken up under a priority order for the construction of ships. As time went along the steel manufacturer found he could increase his production rate of steel, providing he himself could get sufficient steel to put up a building; but under the priority ruling in favour of ships, he was not able to get the steel and unless an allocation was made on his behalf, he would not be able to increase his production to the benefit of everyone using steel.

Again, I am bringing up this point of priorities as practically everything the corporation handles that would be useful in the re-establishing of veterans is in short supply at the moment, and if priorities or allocations were established in favour of veterans, somebody would have to weigh the claims of everyone and not only have to decide which veteran would obtain the material, but also whether a veteran would obtain the material or a manufacturer who would be able to provide employment for veterans if the material were given him. This might easily arise in the case of machine tools. I ask you to visualize the time that would be taken in weighing claims properly and the consequent hold-up in distributing surplus.

It is our thought that the best interests of all are being served by following established policy under which the corporation operates. This policy calls for the distribution of surplus through the ordinary channels of trade to the consumer which, in turn, provides for equitable distribution, and avoids competition with established employment.

I would like to illustrate some of the foregoing points by introducing some of the problems we face in the sale of trucks.

First of all, vehicles which are received by the corporation may or may not be in a running condition; therefore, the purchaser from the corporation must be in a position to accept delivery of vehicles in an "as is, where is" condition and have the necessary facilities to carry out any repairs which are necessary. War Assets Corporation is not established as a manufacturing or repairing organization and basically we are charged with the responsibility of selling surplus as it is passed to us.

After clearance of prior claim by government and under the general policies outlined previously, the corporation sells motor vehicles immediately they are passed to the corporation to dealers for distribution and sale to the public and

no stock is carried by War Assets Corporation once government priorities are cleared. The dealer, in turn, either reconditions the trucks and sells them to the user with a thirty-day guarantee, and may, if he so wishes, and the purchaser is agreeable, sell at a lower price, trucks which he has not reconditioned and, of course, these do not carry any guarantee.

I would like to say that the guarantee I have mentioned is given by the dealer, as War Assets Corporation sells all its merchandise on "as is, where is" terms.

Prices at which the trucks are sold by the dealers are regulated by the Wartime Prices and Trade Board and are established within the price ceilings and conditions set by the board.

Vehicles when declared surplus by government departments are generally located at depots and distribution must be made from that point. This is accomplished with the co-operation of the original manufacturer of the vehicles who without charge recommends allocation to his dealers in proportion to his normal distribution pattern, thereby giving equitable distribution for all territories. The dealers are equipped to take delivery of the vehicles and, as I said previously, to recondition them should this be necessary. In some cases they are also in a position to tow the vehicles away if they are what we call "non-runners". The dealers themselves have also agreed that in the sale of used vehicles coming into their hands from War Assets Corporation, priority will be given to veterans.

Under Motor Vehicle Controller orders MVC 28 and MVC 29 which deal with new motor vehicles and the Motor Vehicles Administrative orders A1489 and A1493 covering used motor vehicles, provision is made for essential users under which category veterans may secure permits or priority certificates to purchase vehicles. Rationing offices are located in all parts of Canada, to whom applicants may state their case and obtain certificates in accordance with the orders.

Some question may arise as to why the Motor Vehicle Controller has been able to operate under a priority scheme while the demand for vehicles has greatly exceeded the supply. I said previously that in my experience priority was relatively useless under these conditions and although the certificates issued by the Motor Vehicle Controller are known as priority certificates, they are in actual practice allocations, as during the war period the issuance of certificates was confined to the number of trucks which were known to be available or becoming available for use in Canada. This system which was really an allocation system of available supply operated very satisfactorily as far as I know, as no disruption of the transportation services occurred although it was very tight at times.

With your permission I would like to state, Mr. Chairman, that as veterans of the 1914-1918 war both Mr. Birchard and I went through a rehabilitation period, and we have explored every avenue in an attempt to give direct assistance to the veterans of this last war, in the delivery of war surplus. This direct assistance to the individual has not been found possible, but I do maintain that, in the process of selling surplus through established trade channels, we are providing permanent possibilities of employment on the basis that when the surplus supplies dry up it will be replaced by new production. This I hope will benefit the whole as well as the individual.

In conclusion, I would state that of the 3,488 male employees of War Assets Corporation as at February 28, 1946, 45.8 per cent are veterans of the two wars. This fact speaks for itself.

The VICE-CHAIRMAN: Thank you very much, Mr. Berry. Are there any questions, gentlemen?



*By Mr. Cruickshank:*

Q. I should like to ask a question of Mr. Berry. As I understood it, he said that the only way to give the preference to veterans is through retail sales. Could it not be done something in the same way as was done through the Canadian Federation of Agriculture for farmers? In the province of British Columbia you allowed us 53. There were 1,700 applications and that was narrowed down to 1,200; the Federation of Agriculture by a lottery system allotted the 53. Could you not do that with the Canadian Legion, for instance?—A. We are at the moment revising that arrangement with the Canadian Federation of Agriculture and the proposal at the moment is that we might allocate, I think it is, 2,000 trucks for sale to farmers. But the administration for the picking out of the people who are entitled to buy those 2,000 trucks will be done by the Federation of Agriculture and not by the War Assets who cannot get into that business.

Q. That is my question. For instance could not the Canadian Legion act in exactly the same way as the Canadian Federation of Agriculture did and give the preference to veterans?—A. If some agency will arrange to segregate and designate who the trucks should be sold to, then I think it could be arranged. But until we arrive at that point, I am afraid my hands are tied.

Q. But it could be possible in some way?—A. It could be made possible.

Mr. QUELCH: Would it not be possible that it be done through the officials of the Veterans' Land Act who have officials in all parts of Canada? I understand that the dealers have had a great deal of difficulty in the past in getting trucks that they wanted for delivery; so far as I can make out the difficulty has arisen through the fact that these trucks have not been released to the War Assets Corporation. They have had certain trucks in view, trucks held by the army that they were told would be surplus very shortly, but there has been a great deal of delay on the part of the army in turning these trucks over to the War Assets Corporation. I cannot see how the statement by Mr. Berry that, in order to make these trucks available they would have to go into the retail business is a sound statement, because through the Department of Veterans Affairs it should be possible to assemble the trucks that are in running shape and the tractors that are in running shape in various localities throughout the Dominion, and then have the officials of the Veterans' Land Act decide how they will dispose of them, either on the basis of sales or drawing lots or on direct application by the veteran. I do not think there would be any very great difficulty there. I know there are veterans all over Canada now wanting these trucks; they put applications in with the dealers and they are told by the local dealers that they cannot get the trucks.

There is another point I wish to mention. I believe the automobile manufacturers are urging that these trucks and cars should be released immediately while there is still a great demand and lack of supply. They are stressing the fact that if the trucks are turned loose maybe a year from now, then the new trucks will be coming on the market and they will be sold in competition with the army trucks. The manufacturers are stressing the fact that if these trucks were made available now, they would meet a demand which could not be met by civilian trucks and they are urging that these trucks be released at the earliest possible moment so as to take care of the present demand. I agree very much with the member for Fraser Valley, in his suggestion that some official organization should be used to distribute these trucks, and I suggest that the logical organization would be the Department of Veterans Affairs through the officials of the Veterans' Land Act. I think they can handle it very well. They can decide upon the procedure for selling them as to whether or not it is to be done by auction sales to veterans approved or whether it is to be done by direct application.

Mr. WRIGHT: I should like to stress a point that has been raised by Mr. Quelch. I believe that not only trucks but a lot of other equipment as well as trucks such as tools, etc., could be made available to the veterans department and distributed through the Veterans' Land Act people. They have offices right across the Dominion. It would mean a little work. They would have to have a supervisor for it to see that distribution was done fairly. I know there would be difficulties because there would not be enough trucks to give everyone a truck who is settling under the Veterans' Land Act. Nevertheless, today they have not got enough land either, and they have been using certain methods to give priority. Men have drawn for lots of land. There is no reason they should not use the same method and distribute whatever tools and trucks are available. I think it certainly would be a fairer way as far as veterans are concerned than the present method of going to the dealers because, while not in all cases, in quite a few cases dealers have friends who have had orders in for trucks long before veterans were discharged. Naturally they are good customers of the dealers and they give them a certain priority. It is just human nature that they should do that.

I do think as far as veterans are concerned that we could have a fairer distribution of war assets than what we are having at the present time through the present setup. I cannot see any very great difficulty if the Department of Veterans Affairs is prepared to take the responsibility of appointing some official in their department to go to War Assets Corporation. They have the first priority, and other government departments have a priority over provincial governments and private dealers. If they are prepared to take the responsibility of going to War Assets and selecting what they think is suitable for them for veterans I should not think there would be any very great difficulty with the staff which they have and with their wide distribution over the whole Dominion of Canada. We would have a fairer distribution than we are getting at the present time.

Mr. PEARKES: I have received requests to urge that as many trucks and vehicles be made available now as it is possible, similar to the request Mr. Quelch has made, it being pointed out that as soon as new trucks and vehicles become available there will not be the same demand for the trucks which are now in the services. There is a feeling that there is a tremendous gap between the time that the local military commander says these vehicles are not longer required and the time when War Assets makes them available. That time may be eaten up by the ordinary routine of administration or it may be eaten up to a certain extent by referring to different dominion and provincial government departments as to whether they require these vehicles on their priorities.

I cannot help feeling that by now these dominion and provincial government departments should have made up their minds whether they want any of these surplus army or air force vehicles. If anything can be done to reduce that gap it would be very much to the advantage of all concerned.

Furthermore, I should like to know whether these vehicles are held in the depots. I am sure there is a great delay existing in the movement of vehicles from stations where vehicles have been collected by the army to some central depot and then possibly moved to another depot for War Assets purposes and then sent back again to where they originated in order for distribution to be made. I know perfectly well vehicles have been picked up on Vancouver Island, sent over to the mainland and the same vehicles, after a long delay, have come back to Vancouver Island again. There seems to be some system of collecting in central depots which is not working smoothly.

The VICE-CHAIRMAN: Would you give some time to Mr. Berry to make comments?

The WITNESS: I am afraid, Mr. Chairman, I have no direct reply to the member because I have no knowledge of the stores the armed forces are holding.

I have no knowledge of those stores in any shape or form until they reach me on what is known as a report of surplus. I have no way of asking for those stores to be reported to me as surplus, no official way. I have an unofficial approach occasionally by telephone if I know that a store is wanted urgently. I have found the forces in those cases most co-operative in making the material available to meet urgent requirements.

Mr. PEARKES: All departments are only too pleased to make special efforts when some one individual takes up a case. I have had cases referred to me and I have had the greatest co-operation and the system has been speeded up. Surely that is wrong. It should not be necessary for an individual to go to his member of parliament in order to get quick action. That has happened and I appreciate the quick action I have had. Do you have to refer to the provincial government or has that been done before a particular vehicle is handed to you? Where is the delay regarding other government departments?

The WITNESS: Before I answer that I should like to continue what I just wanted to say. We checked up this morning by telephone to find out what our present stock of motor vehicles, tractors, for instance, is right at the moment. We have ten passenger cars, six ambulances, four station wagons, thirty-nine trucks and six tractors.

*By Mr. Cruickshank:*

Q. In the whole of Canada?—A. All over Canada.

*By Mr. Mutch:*

Q. Would you repeat that, please?—A. These are vehicles we have at the moment not disposed of, and that represents our complete stock to meet demands across the Dominion of Canada.

Q. Would you repeat that?—A. We have ten passenger cars, six ambulances, four station wagons, thirty-nine trucks and six tractors.

Q. You have not a breakdown of where they are?—A. I have a breakdown of the trucks. I have one in Prince Edward Island, two in Nova Scotia, one in New Brunswick, seventeen in Quebec, twelve in Ontario, one in Alberta and five in British Columbia.

*By Mr. Benidickson:*

Q. Could Mr. Berry tell us the total number of vehicles of that type that have been declared surplus to date and the total number that have been sold to date?—A. I am afraid I could not answer that from memory. I will be glad to get that information if the committee would like it.

The VICE-CHAIRMAN: You can get that for the committee.

*By Mr. Emmerson:*

Q. I should like to ask Mr. Berry if we could get some idea with regard to trucks, tractors and motor generator sets, we will say, for lighting on farms, as to what proportion of them have been in running condition that you have received and what proportion would have to be overhauled, repaired, because that is a rather important thing when it comes to handing them over to the Veterans Land Act administration to distribute amongst veterans. They would have to set up some organization to overhaul and repair and be able to hand them to veterans for their use.—A. I am afraid, Mr. Chairman, that our records would not permit us to answer that question. We sell our material on an as is, where is basis, and while the condition is checked in setting the sale price no permanent record of that is kept in each individual case.

*By Mr. Pearkes:*

Q. I have not quite got my point cleared up. As to these vehicles which Mr. Berry now has have you got to refer those to the various organizations which



have priorities or has that all been done before they come to you?—A. When we receive reports of surplus we have to hold the vehicles for a certain length of time to check up which government departments or which of the priority holders have made requests for that type of material. We then offer them in fulfillment of those requests and they either take them or turn them down.

*By Mr. Cruickshank:*

Q. How long do you have to keep them?—A. Oh, I do not know. It depends on how many there are and how many requests we have got and how long it takes to get replies in. I would like to state—

Q. It might be a couple of months?—A. I would like to state here we have now drafted and are preparing to issue a statement on priorities indicating that if we offer something under a priority to anyone and it is not accepted within thirty days the priority is automatically cancelled. That instruction has not yet gone out but I am trying to push it.

Q. That list you have is up to date?—A. That is a list of stock that we have at the moment as of 9 o'clock this morning.

Q. The reason I am asking is I got a wire from British Columbia this morning from some boys who have a franchise for a bus line, and they will lose their business unless they get a bus. They tell me there are two buses. Either they are wrong or your records are wrong.—A. I am rather going to infringe on the Department of National Defence in this next answer. I would apologize if I am wrong because I do not have the full details but the local commander may know that a bus is surplus to his particular operations in the station, and very often he will make a statement of that kind to people who come and ask him, but when the report on surplus on that bus goes from his station to N.D.H.Q., in Ottawa, it is very often found there is a requirement for that bus by the army at another point or another camp and the bus is therefore surplus in that particular camp, but is not surplus to the overall requirements of the army.

Q. One more question and I am through. I have not got the inside track Mr. Pearkes has so I am asking you now. Provided one is available will the veteran get the preference on it?—A. I have tried to answer that in my brief.

Q. Will the veteran get the preference?—A. Let me put it this way. Under the Motor Vehicle Controller's order the veteran may go and get a priority certificate for a bus. If he presents that priority certificate to the dealer then the dealer by law is bound to deliver him a bus prior to selling to anybody else who has not got a certificate.

Q. But, Mr. Berry, how is that bus allotted to the dealer? If this particular bus is allotted to the right dealer I will guarantee the boy will get it because his father is a dealer, but how are they allotted to the dealers?—A. We distribute those, as I said in my brief, proportionately right across the country. If I or one of my officers has to sit down and look at every individual piece of merchandise that we have for sale and say, "Now, this piece of merchandise we will deliver to Mr. So-and-so, and this piece of merchandise we will deliver to Mr. So-and-so", and I am running through a volume of \$20,000,000 a month . . .

Q. But only seventeen trucks; that is not hard to do.—A. That is what we have in stock at the moment. Tomorrow morning that may be 2,017 because somebody will report me 2,000. I am in this situation that I know what stock I have got on my hands but I do not know and never do know what my suppliers are going to deliver to me tomorrow. So I may say to you today I only have thirty-nine trucks but tomorrow morning, or even this afternoon, I may wake up and I find I have got 5,039 trucks.

*By Mr. Pearkes:*

Q. Would it be possible to reduce that time limit down to forty-eight hours with those people instead of thirty days? Thirty days with spring coming on

and the harvest is too long.—A. There are certain routine matters in an organization of this size, and I think you will appreciate this owing to the fact that you have been in the army, there are certain routine matters when you have got a big organization together which you must go through; otherwise everything you touch becomes an individual problem and it must go over the boss' desk and the boss has to deal with these matters himself.

Mr. PROBE: May I just refresh Mr. Berry's mind with respect to one bit of evidence which came out at the War Expenditures Committee last December. That was the morning when the War Expenditures Committee met with 84 F.W.D. trucks, declared surplus. They had been boxed, crated, made ready for shipment overseas. At that time to my knowledge there were ten requests from other various priorities for these trucks, government priorities. I just want to refute these figures on this thirty days, because it is not strictly speaking true; what Mr. Berry has said.

The WITNESS: May I take exception to that, Mr. Chairman?

The VICE-CHAIRMAN: Yes, when Mr. Probe has finished.

Mr. PROBE: Wait until I finish, Mr. Berry, then you can answer it. Mr. Berry's department told the committee that by prior agreement with the F.W.D. depot all of the 84 vehicles were sent back to that company for disposal, and therefore the exercise of priorities was not permissible and the government department concerned had to go to the F.W.D. people and buy all their vehicles from the F.W.D. people, who bought them from the War Assets at \$5,000, and the priority people had to pay \$7,200 odd for those vehicles. In other words, this thirty day idea of exercising priorities was ignored in that case. I would like to ask Mr. Berry if it is not true that in the case of motor vehicles a prior arrangement exists with the Canadian Automobile Manufacturers' Association for the disposal of these vehicles, where they have a preference in disposal above any priority holders.

The WITNESS: I would like to know, Mr. Chairman, why in view of that my previous statement was not true. I would like to have the Honourable member (Mr. Probe) point out any statement of mine which states specifically what is not true.

Mr. PROBE: The priority holders would be given thirty days in which to exercise their priority before the disposal of vehicles which War Assets Corporation held. Mr. Berry is not correct because in the specific case of these 84 F.W.D. vehicles, the evidence for which is on the Minutes of Proceedings of the War Expenditures Committee, his department made the statement that in the case of these 84 vehicles a prior arrangement with the F.W.D. manufacturers prohibited his corporation from allowing the prior requests which were in being considered; and for that reason I say Mr. Berry's statement that priorities are considered first before disposal is made in any way is not strictly correct.

The WITNESS: May I just reply to that, Mr. Chairman?

The VICE-CHAIRMAN: Yes.

The WITNESS: First of all I would like to point out to the member that my statement about the thirty day priority was made on the basis that I was just about to issue some regulation limiting it to thirty days.

Mr. PROBE: Then, Mr. Chairman, I will withdraw that part of it.

Mr. BERRY: Secondly, I have been talking this morning—maybe I omitted to mention it—but I have been referring to used vehicles. The new vehicles, we have definitely, not in all cases but in most cases, arranged for them to be re-distributed to the original manufacturer of the vehicle so that these vehicles might come under the motor vehicles controller's orders and be distributed properly to essential users.



Mr. Mutch: Just follow up the point raised by the member for Fraser Valley a moment ago, and the plausible explanation given to it by Mr. Pearkes: This question of the distribution of war assets, quite frankly, gives me more concern than any other factor of it. I would like to ask Mr. Berry if he knows whether or not it is not only possible but probable to assume for the moment that there are two buses which the army no longer needs in that area (Vancouver); that in time, and I assume anything from a month to two months, he will discover by investigation that the buses which are surplus to establishment in Vancouver are possibly needed in Kingston, are so reported and in due course—anything up to six months—they will probably arrive at Kingston only to discover that the buses which the establishment called for in Kingston today, six months from now are surplus to the establishment in Kingston, and someone who has a bus franchise running between Kingston and Toronto or some other place will find themselves the definite beneficiary of these trucks, the army having no further use for them at all—and Mr. Cruickshank's friend will still be walking.

That general aspect of it brings me to refer for a moment to the point raised by Mr. Probe. I am told, and I have no reason to doubt it, that recently some 263 Dodge three-ton trucks boxed, crated, ready for shipment overseas, were turned back to, I presume, the Chrysler Corporation for distribution. Of these I am told that the distribution was 230 in the province of Ontario and 33 from the province of Ontario to the Pacific coast. Perhaps I should not cry about it, because I notice that 16 of the 33 for the whole of the west were allocated to the province of Manitoba. I would like to draw particular attention to the fact that these were Dodge three-ton trucks, which I am told is a serviceable and useful type of truck for farmers, and the people in the trucking business. At about the same time 260 Dodge one and a half ton trucks—which is a faster type of truck and according to common knowledge has a job business. At about the same time 260 Dodge one-and-a-half ton trucks—that is significant enough. Of those 260 odd, 23 I think were disposed of in this more favoured part of Canada; and an attempt was being made when I left the west to unload and deliver 200 I believe to unsuspecting and unsuspecting people out there to whom they would be only a bill of expense in connection with their operations.

I do not know, sir, whether my complaint is against the Chrysler Corporation or the War Assets Corporation. If as suggested new trucks are usually turned back for distribution to the corporation which provides them, then I think perhaps some of the blame for the fault of distribution goes to the Chrysler Corporation. But I do know this, that the local dealers had to take these things crated, supply the tools and people to break them out of the crates, assemble them and dispose of something which they in all conscience knew they should not be distributing to people who were getting them.

That is one aspect of distribution. About the other one I am somewhat more concerned, that is, used trucks. We feel that in some areas we have a concentration of equipment and that equipment is becoming surplus in the areas with which I am familiar. No one has been able to get it, presumably because it was not released to War Assets. Just when, or how War Assets get it, I am not clear; but in any case there is a lapse of time, anywhere from six weeks to two months. No attempt is made to dispose of the vehicles on the spot—two months is too much for them in any case; and you have the cost of handling, assembling and so on; and it simply boils down to the fact that the people in the area in which these vehicles are seen to be piling up are not getting them. Have you any suggestions to make which would assist in the distribution of vehicles of this kind? I am frankly less interested in standard vehicles, station wagons and the like than I am in trucks and cars; coming as I do from a city constituency. We have operators using driv-ur-self cars now, even the doctors



who have an "A" priority—but there aren't any cars. We have young fellows establishing themselves in delivery and collection, and all types of business, who are paying out all they are making hanging on desperately for additional equipment for these driv-ur-self and other types of service. They can go out of the city a few miles and see these cars piled up. You say you haven't got it. Is there any way you can say when you are going to get it and let the public know?

The WITNESS: I do not know how many questions there are in that.

Mr. BROOKS: I did not recognize any.

Mr. LENNARD: May I suggest that some of the other members may want to ask the questions, and that we might make this thing snappy? We do not want speeches.

The VICE-CHAIRMAN: Gentlemen, Mr. Murchison will have to be leaving us in a few minutes to attend an important meeting and he has a statement he would like to make.

Mr. BROOKS: He can come back.

Mr. GORDON MURCHISON: Mr. Chairman, just as a matter of courtesy to this committee I attended here this morning because we rather anticipated that some suggestion might be coming from the committee that the Veterans' Land Act administration be considered. There were some suggestions put forward by the member for Acadia. I find that I must attend another very important meeting at twelve o'clock. For that reason I have to leave and I will not be able at this meeting of the committee to reply to any questions that might otherwise be directed to me on a particular subject. I will be glad, if the time permits, to be available to express any views I may have on this particular subject.

The VICE-CHAIRMAN: Thank you. Now we will revert to the question Mr. Mutch has put.

Mr. PROBE: I had a question.

The VICE-CHAIRMAN: What was your question, please?

Mr. PROBE: My question was this: is it not correct that the Canadian Automobile Manufacturers' Association has direct control of all new vehicles turned over to War Assets Corporation, that they have first call on the disposal of these vehicles, ahead of the claim of any priority holder or ahead of the general public?

The WITNESS: I will answer that question with a plain no.

Mr. PROBE: What?

The WITNESS: No.

*By Mr. Quelch:*

Q. Mr. Chairman, I have a few short questions: Has the Department of Veterans Affairs a priority on all used equipment handled by the War Assets Corporation?—A. It has a parallel priority with other federal government departments.

Q. Then the various federal departments if they so desire could exercise their priority and take over all army equipment; is that correct?—A. Under present policy, yes.

Q. When you receive army equipment is there a notation showing the condition of the equipment at the time you receive it?—A. Not always; occasionally we do get a notation on the condition of the equipment, but not always.

Mr. QUELCH: I mention that fact because it was suggested that a lot of this equipment was in too bad condition for the veterans to take it over. Surely no one is going to suggest that all of this equipment is in such bad condition

that it will not run effectively, because we all know that the army has its own mechanics who, it is generally understood, are quite competent in keeping the equipment in first-class shape. Surely the army would have someone who would know whether trucks or tractors would be in good running order or not.

Mr. Mutch: I would like to get an answer to my question, and, for the benefit of the gentlemen who were unable to get the import of it I will repeat the questions; they are these: Who controls the distribution, first of used vehicles of all kinds; second of unused vehicles of all kinds. And should the answer be that War Assets do not control it, is there any avenue by which you can assure yourselves that the distribution is equitable? I know that my language, or my use of terminology is difficult for some members.

The WITNESS: May I answer that, Mr. Chairman?

The VICE-CHAIRMAN: Certainly.

The WITNESS: The War Assets Corporation under its policies controls the distribution. I would like to read into the record the figures we presented, in the case of trucks, to the war expenditures committee at its last sitting last year. I have here a list of the provinces; the War Assets percentage that has gone into that province; and the national registration percentage in relation to the total registrations throughout the Dominion. Do I make myself clear, Mr. Chairman? We take the total registration throughout the Dominion, and we take the national registration by provinces of that total, we also take our own percentage figures of distribution by provinces and see how closely they come to the national distribution figures, the national registration figures, I should say; and these in our opinion represent the normal usage, the truck population, in each province. The table is as follows:—

Provinces	Units	W.A.C. Percentage	National Registration Percentage
British Columbia .....	435	8.95	8.37
Alberta .....	356	7.33	7.91
Saskatchewan .....	360	7.41	8.52
Manitoba .....	298	6.13	6.27
Ontario .....	2,133	43.90	47.26
Quebec .....	767	15.79	14.74
Nova Scotia .....	307	6.32	3.82
New Brunswick .....	144	2.96	2.57
Prince Edward Island .....	59	1.21	.54

My contention, gentlemen, is that if anybody can do a better job of distribution than that in relation to the national registration, I should like to see it done.

*By Mr. Brooks:*

Q. That is taking into consideration all articles that are turned over?—

A. That is in relation to trucks only.

*By Mr. Probe:*

Q. Mr. Berry has not yet cleared up in my mind the policy employed by War Assets Corporation in the disposal of new, unused, surplus vehicles. May I have a statement from Mr. Berry as to the procedure adopted, the agencies consulted and so on for the disposal of unused surplus vehicles?—A. The present policy of the War Assets Corporation in the disposal of new vehicles is to process them and sell them through the original manufacturer of those vehicles, or the distributing agent for those vehicles should there be no manufacturer in Canada.

*By Mr. Cruickshank:*

Q. Have you any new ones left now?—A. I am just going to talk completely from memory now. I believe we have about 1,000 odd; and of those 1,000, a large percentage of them are what we call completely knocked down vehicles, which are all in bits and pieces and require an assembly plant to put them together. In certain of the cases these vehicles themselves are not complete, because when they were to be shipped overseas, the points of assembly overseas had either surplus of certain pieces which they could use to complete the vehicles or they had certain pieces made overseas themselves.

*By Mr. Green:*

Q. Mr. Berry, may I ask you a few questions. I should like to approach the matter from the opposite end, first of all from the point of view of the veteran who is going into a business in which he will require a truck and then from the point of view of a doctor returning from the service who needs a car to carry on his practice. First of all, having reference to the lad who wants a truck, is there any authority for giving him anything in the nature of a priority certificate? And if so, what is that authority?—A. The authority is under the Motor Vehicle Controller's orders that I quoted in my brief this morning.

Q. He does not get any certificate at all?—A. Yes, he receives a certificate from the Motor Vehicle Controller or the local ration officer.

Q. From the Motor Vehicle Controller. In other words, he goes to the Motor Vehicle Controller?—A. The local ration officer.

Q. Or the local ration officer?—A. Yes, who represents the Motor Vehicle Controller.

Q. Is there any check between that local rationing board and the Department of Veterans Affairs? It would seem to me that the Department of Veterans Affairs has enough information about that man to be able to tell very quickly whether or not he has a bona fide claim for a priority, and perhaps could tell far more quickly than if he went to the local rationing board, told his story there and convinced the local rationing officer that he is entitled to a priority.—A. I am afraid, although I was the original Motor Vehicle Controller, as I have been away for some time I could not answer that question specifically.

Hon. Mr. Howe: My experience has been that the local rationing board, who know the district and know the man, as a rule can assess the necessity better than anyone in Ottawa can do it.

Mr. GREENE: I did not mean in Ottawa. There is a D.V.A. office there in Vancouver, and they have advised this man and know all his background. Is there any check made with them to be sure that the men who really deserve the priorities are getting them? Is there any check of that?

Hon. Mr. Howe: I could not be sure.

Mr. GREEN: Then when he gets that, are these priority certificates given quite freely? That is, are they given in large numbers?

Hon. Mr. Howe: I think so, yes. I will tell you my own experience. I was in Port Arthur a while ago and a veteran came to me and wanted a car. He needed it in his business. He was going to start up a taxi business. I said, "Go to the local board." He did, and he came back with his priority certificate. He said, "How do I get a car?" I said, "Look around and find a dealer that has cars." He departed, and about five minutes later a dealer called up and said we were not giving priority certificates rapidly enough, that he had cars but no priority demand. I said, "I can make two people happy now." He got his car and went away happy. I think that the supply of priority certificates is fully up to the available cars. But the whole difficulty in cars is that we expected General Motors to turn out 10,000 cars in March and they did not turn out any.



*By Mr. Green:*

Q. What priorities must the veteran compete with in getting a car? What other people or groups of people have the same priority that he has?—A. I think that might be answered, although I may not answer correctly, in this way. The veteran, depending on his occupation and the essentiality of his proposed occupation, controls the issuance of the priority certificate. I stand to be corrected on that statement.

Q. That is not quite what I mean. There has been mention of government departments and some mention of provincial governments and of municipalities. Is the veteran competing with all of those authorities?—A. Only in the case of used trucks.

Q. Are there any other people he has to compete with in the priorities?—A. That I could not answer.

Mr. BIRCHARD: You mean in used trucks?

Mr. GREEN: I am dealing with used trucks only.

Mr. BIRCHARD: I would suggest that in that group there are builders that are building homes for veterans and hospitals, and groups of that kind. He has to compete with the fellows that are building the homes and those building hospitals.

*By Mr. Green:*

Q. Does he also compete with the government agencies, with the different departments, or do they come ahead?—A. Under the present ruling on used trucks they go ahead.

Q. Where does he stand in the list of priorities? Government agencies come first; is that right? That is, dominion government agencies?—A. The federal government departments or agencies are the first priority. I am dealing now with used trucks.

Q. So am I, and of the man who wants to get a used truck. These are the hurdles he has to get over.—A. The first priority is federal government departments or agencies; the second priority is provincial governments; the third priority is municipalities and public bodies; and I may say that we have difficulty in defining public bodies. After that, after we have filled their requisitions, then the balance are for sale under the priority scheme of the Motor Vehicle Controller.

Q. I see. He would get no chance at those trucks at all if any of these other authorities want them?—A. That is correct.

Q. Then when he gets a priority certificate he has to find a dealer?—A. Correct.

Q. What priorities must he compete with in the dealer's office?—A. I think the priorities he competes with are dealt with in the Motor Vehicle Controller's order. It outlines trades rather than individuals; or occupations, I should say.

Q. There are many different occupations that have just the same priority as the veteran has in the dealer's office. Is that correct?—A. I did not quite catch that question.

Q. There are many different occupations that have just the same priority as the soldier in the dealer's office?—A. The priority, if I am speaking rightly, contained in the Motor Vehicle Controller's order is a priority of occupation rather than an individual.

Hon. Mr. HOWE: In other words, a farmer gets a preference over a man who just wants a truck to do delivery work in the city.

Mr. GREEN: That is so whether he is a veteran or not?

Hon. Mr. HOWE: Yes. But the veteran is always at the top of his class. If he is in the farmers' class, he is ahead of the other farmers.

Mr. CRUICKSHANK: No.

Mr. GREEN: It is only if the veteran is at the top of his class that his priority gives him first chance?

Hon. Mr. HOWE: That is my understanding.

Mr. Mutch: May I interject something just here. The minister just said that the veteran is always at the top of his class. I understood, from what Mr. Berry said, that that is a result of an agreement amongst the dealers, to give the veteran a priority on used material.

Hon. Mr. HOWE: That is right.

The WITNESS: That is right.

*By Mr. Mutch:*

Q. It is not a regulation. It is an agreement with the dealers?—A. There is no official regulation on that point.

Mr. CRUICKSHANK: It does not work out.

*By Mr. Green:*

Q. What assurance is there that in the dealer's office the veteran is going to get the first choice in his class?—A. I am afraid we have to rely on the integrity of the dealers for that, and they are very insistent in bulk that they give that priority. We have spoken with them several times on that matter, and they have been very positive about it.

Q. Mind you, Mr. Berry, by your policy you are insisting that those used trucks must go through the dealers, and for the time being I am not either agreeing with that or quarelling with it. But, having adopted that policy and given the dealers all those used trucks, surely you are in a position to be very definite in telling the dealer that he must give the veteran the priority. Why can that not be done?—A. That has already been done, and we have requested the dealers to do it. We have not told them to do it. On this question of priorities, I think in my brief I outlined the case of a steel manufacturer, which would show that a priority to one particular type of people to-day might work against their interests to-morrow. But you have to leave a certain amount of flexibility in the thing at all times unless, as I said in my brief, you go to direct allocations and take each individual and give him one truck and another individual and give him one; and when you start doing that, we will never get rid of the surplus. We are sunk. It has been mentioned here this morning that everybody wants to get this surplus into the hands of the public as quickly as possible. That is just what we are trying to do.

Q. What harm would it do for you to direct that the dealers must give the priority to the veteran in his class, the veteran with a certificate?

Hon. Mr. HOWE: They do, if the veteran is there.

Mr. GREEN: Mr. Berry said they are not compelled to do that. It is simply by agreement.

Hon. Mr. HOWE: If you tie this thing up with rigid rules and regulations, you are going to bog the whole thing down. I think that they have handled this truck distribution with a good deal of skill. The whole thing is that we are wholesalers. We do not talk about an individual truck to John Jones. We try to set up a system that will get these trucks going; and the only way you can satisfy the veteran or try to satisfy him is to give everybody trucks, and we are rapidly approaching that situation. But the priorities are there, and they are the things that delay us more than anything. If we could get rid of these government and provincial priorities, we would be much further ahead.

Mr. GREEN: Why do you not get rid of them?

Hon. Mr. HOWE: We should like to get the committee that governs our activities to tell us to do that. We tried to get them to do it last year but they would not do it. If we could, we would be much further ahead.

Mr. MUTCH: You would get some support here for that.

*By Mr. Brooks:*

Q. I should like to ask a question something along the line of what was brought out by Mr. Quelch. We are told about dealers having these trucks and they evidently wait for the veteran to come in with his priority. Mr. Quelch suggested that the Veteran's Land Act officials could get a list of the men in that locality who require trucks. Could not that be done, and this list put in the hands of the local dealer? Then when the trucks are released he would have something to work on. These men could be given their preference without holding up the sale of the trucks, and after they were supplied, the other people would come along and get them. It seems to me there should be some co-operation between the officials of the Veterans' Land Act, whom I believe could handle this, and the local dealer. The veteran does not know unless someone tells him, "Now, you are entitled to a priority on a truck." The officials could tell him; then make up the list and hand it to the dealer. The dealer has this list. When that is exhausted, let the general public purchase them. I would think that some system of that kind could be worked out to the benefit of the veteran, and that seems to be what we are all anxious to do.—A. I could not answer that on behalf of D.V.A. or the Department.

Q. I know that.—A. But I think I could say that the dealer would be very pleased if he found a ready-made list of prospects.

Q. I believe it could be done.

*By Mr. Green:*

Q. I have one other question. Would there be any objection from your point of view to the Department of Veterans' Affairs taking a certain number of used trucks—

Mr. MUTCH: And cars.

*By Mr. Green:*

Q. —yes, and cars, and taking the responsibility for seeing that they are distributed to veterans who need them to get re-established?

Hon. Mr. HOWE: As long as we get paid.

The WITNESS: As long as I get paid for them I would be very pleased to deliver them in bulk.

*By Mr. Green:*

Q. There is no objection from your point of view to a policy of that type being adopted?—A. No. I would be very pleased to deliver them in bulk?

Mr. QUELCH: I spoke to the General Manager of the John Deer Company at Calgary — I believe his name is Mr. Dunn — and he informed me that the company has notified all their dealers in Alberta that when a soldier comes to a dealer with a priority slip from the officials of the Veterans' Land Act, then that dealer is bound to place that soldier's name at the head of the list; no matter how many orders he might have had in, that soldier went to the head of the list. Would that not be a very simple way for you to deal with it?

Hon. Mr. HOWE: I think that is what is done.

Mr. QUELCH: That is so?

Hon. Mr. HOWE: Yes.

Mr. QUELCH: That is definitely the policy?

Hon. Mr. HOWE: Yes.



Mr. Mutch: It is done not by directive but by the dealer and the companies. Is that not correct?

Hon. Mr. Howe: That is correct. It is the policy of the companies and they have been asked to do it by the War Assets Corporation.

Mr. Lennard: I should like to ask Mr. Berry a question. He mentioned that the Federal Government would be given thirty days in which to exercise their priority. Is that right?

Hon. Mr. Howe: That is right.

The Witness: I am proposing to issue those instructions.

*By Mr. Lennard:*

Q. What I want to know is this. After that period of thirty days, if the federal government says that they do not wish these vehicles, do the provincial governments get another thirty days?—A. That is a difficult one.

Q. Then again, after another thirty days, do the municipalities get thirty days in which to say whether they wish them or not? If so, there are three months gone there, and the vehicles are not sold.

Mr. Mutch: They do.

The Witness: In theory, that is the way it should happen, gentlemen. In actual practice, we have to work on requisitions for priority for specific items, and we may offer the stuff as fast as we can and hope that we have enough to go around; so that we try to clear the whole thing within thirty days if possible.

Q. I would suggest that the thirty-day period be cut down.—A. If you would suggest that we wipe out priorities, it would be an awful lot easier.

Mr. Cruickshank: Cut it to a week. Why could you not make it one week?

*By Mr. Fulton:*

Q. Following up the suggestion made by Mr. Green, of allowing the Veterans Affairs Department to act as a collecting agency—

Mr. Green: We cannot hear you, Mr. Fulton.

*By Mr. Fulton:*

Q. I am sorry. I say, following up the suggestion that the Veterans Affairs Department act as a collecting agency of veterans' priorities, I wonder if we could go further and I should like to ask this question. Do the priority holders—that is the dominion government, the provincial governments and the municipalities—purchase direct from War Assets or do they purchase from the dealers and when it is turned over to the dealers is it earmarked for dominion government priority? Which do they do? Do they purchase direct from War Assets or from the dealers?—A. The federal government departments, the provincial governments and municipalities purchase direct from War Assets Corporation. One of our troubles in this one connection is the fact that when we have, let me say, 100 vehicles, by the time they have exercised their priorities and taken the vehicles they require, the balance of the vehicles sometimes come in the category I described as non-runners.

Q. Then it is impossible for these priority holders to purchase direct from War Assets. The thing I am wondering is this. Would it not be possible, admitting the principle that the Veterans Affairs Department might act as a collecting agency for veterans' priorities, for them to collect those priorities and then when they have a surplus it could be handled as a matter of course, when they have say 100 trucks or 100 tractors or whatever it may, and to work through them the same as any other government department on behalf of the veteran? Is that not possible?—A. I do not think that would be administratively possible. I think the only way you could handle a thing like that would be for some agency to give us an order, confining this to trucks, for a thousand trucks, let me say,

and as those trucks became available so we would deliver them to them until we had delivered the whole thousand.

Q. That is what I am suggesting.—A. I think it would become administratively impossible, even that scheme, unless you confined it to certain well defined and specific items. If you say you would use it right across the board—we are handling everything from elephant's tusk to pins, and if you put this right across the board it then becomes unmanageable and impossible, but if you confine it to certain specific items then it might be workable.

Q. Say trucks, tractors and automobiles; would that be possible?—A. I would go back on the tractor situation again, for instance, or even trucks. Let us say somebody wanted to buy a snowplow to keep the roads open so that people could get to work. Would you put any other preference ahead of a provincial government which wanted a snowplow to keep those roads open?

Q. I do not really see what a veteran would want a snowplow for, anyway.

MR. CRUICKSHANK: To get out of War Assets Corporation.

The WITNESS: I am using that as an example. There are other items that fall in the same category, but that is an obvious example I am using.

*By Mr. Fulton:*

Q. That, of course, could be worked out, but it seems to me you said if we confined it to a reasonable number of categories—and that would be up to the department which were the essential ones—then I take it it would not be impossible to work out that scheme?—A. I believe that is a correct statement.

*By Mr. White:*

Q. I should like to ask Mr. Berry when he has a number of trucks available for distribution among the dealers in the province of Ontario, for example, how are those trucks allotted to the various dealers? Do they all go to the cities or do people who live in the smaller cities or towns and all these outlying districts ever get a chance to get a truck from War Assets Corporation? If possible, would you give some statement as to the number of trucks that have been distributed to dealers in Ontario to date and where those dealers are located?

MR. BIRCHARD: Mr. Chairman, when trucks become available to War Assets in any particular district War Assets have an arrangement with the manufacturers' local office who have a pattern of distribution during normal periods. They take a period, a normal two or three years so we would get an average of the number of trucks percentagewise that go into each locality. Then War Assets ask that local office for their pattern. They are then allocated to the dealers in all territories proportionately to the method in which they went out in normal times which provides proportionate distribution to all territories.

MR. WHITE: Can you give this committee a statement showing the trucks that have been allotted in Ontario and where they have gone by districts? Do you refer to military districts? Is that the breakdown?

MR. BIRCHARD: No, local districts.

MR. WHITE: Could you give us that information and also how you decide on the price when they are sold to these dealers?

HON. MR. HOWE: Is that the business of this committee? It seems to me that is the War Expenditures Committee.

MR. WHITE: But the thing I would point out to the minister is that as to these trucks that go out in a territory if you do not live in a large city nobody ever hears of anybody getting a truck.

Hon. Mr. HOWE: I think if you will go to a dealer you will find out to whom he sent trucks; certainly every dealer handles trucks. Perhaps you have not heard.

Mr. WHITE: I should like you to tell us in the Bay of Quinte district what dealers ever got any trucks.

Hon. Mr. HOWE: That has nothing to do with veterans affairs. What has your question got to do with veterans affairs?

Mr. WHITE: That is the only way a veteran is going to get a truck, from the dealer, as has been pointed out. Who else is he going to get a truck from? He gets his priority and gets it from the dealer, and if no dealers in the district ever get any trucks how is he going to get them?

Mr. BROOKS: Suppose they are Ford trucks? Does your corporation find out who the Ford dealers are in the province, for instance, and send those trucks to the Ford dealers for distribution and if there is no Ford dealer in that particular area does that particular area go without any trucks?

Mr. BIRCHARD: As I said in my last reply the manufacturers know the pattern of distribution to give all localities—and I do not mean military districts; I mean all vicinities—proportionate distribution. From them we get the locality with the dealer to which that truck is distributed. Then the dealer goes to the depot where the trucks are located, and whether it is a runner or non-runner he picks it up or tows it home, and reconditions it in accordance with Mr. Berry's presentation.

Mr. QUELCH: The Minister of Reconstruction suggested that the question of price was a matter for the War Expenditures Committee, but we have an interest in this regard. Mr. Berry replied if the Department of Veterans Affairs was allowed to pick out the good trucks War Assets Corporation would have a bunch of broken down trucks on their hands. The point is that when a dealer buys trucks surely he does not pay the same price for a good truck as he does for a broken down truck. There must be some relation of the condition of the truck to the price. Therefore if the Department of Veterans Affairs took over the trucks that were in good running order the dealers would only be paying the price of a broken down truck in any event. That is the point in regard to price.

Mr. BIRCHARD: That is one of the difficulties we would run across in giving an individual preference because a man might have a preference to go in to get a truck, and that truck might be a broken down truck, but with the agreement as we have worked it out with the dealers whether the trucks are runners or whether they are non-runners we have worked out an average price and they take them. At times on this one they say, "We got a hell of a spanking, but on the next one we hope we may pick it up". That is the difficulty in making individual allocations to priority holders or to veterans because in that case the truck would have to be inspected to determine the cost of reconditioning to see what the actual price would be for which that truck would be sold.

Mr. HERRIDGE: Returning to the question of distribution the explanation given by the gentleman to the right of Mr. Berry is not in accordance with the information I get from my own riding, a district about as large as England and Wales. I had a letter yesterday from a man who had been to several dealers, trying to get a truck, and he said "So far as I can find out there has not been a truck come from War Assets Corporation into this riding." I doubt whether the smaller and more isolated districts are getting these vehicles.

Mr. CRUICKSHANK: May I ask one question following the minister? I think I had better direct it to the minister. I understood the minister to-day that the dealers by some mutual agreement were to give preference to veterans.



Reverting back to my buses does that go for buses, too, because obviously a bus may not be turned in at Vancouver. It may be turned in at Calgary. Will the veteran get the preference over a vested interest like the C.P.R.?

Hon. Mr. HOWE: I am told we have had very very few buses.

Mr. CRUICKSHANK: There may be one to-morrow and I want to know if the veteran will get the preference? I am not picking on the C.P.R., but I will say over some corporation. Will the veteran get the preference on the bus?

Hon. Mr. HOWE: He will provided that there is not a higher preference.

Mr. CRUICKSHANK: That is on the record. Thank you.

*By Mr. Moore:*

Q. I should like to ask one question. I noticed that several members of the committee referred to tractors but nobody dealt with them specifically. I think the disposition of tractors is much more important than that of motor vehicles especially in western Canada. I think the Department of Veterans Affairs should make arrangements with War Assets Corporation to give all possible tractors for the use of veterans under the Veterans' Land Act. Could Mr. Berry tell us how many tractors have been made available by the three armed services since the end of the war?—A. I could not quote exact figures on the thing, but I believe that all the tractors we have had so far have been taken up by priority users in the form of federal government departments, provincial governments and municipalities, with very few exceptions like logging operators, who are getting timber out of the woods, and some building construction people. I believe that would cover a general statement on tractors at the moment. At the moment as of this morning we have six tractors in stock.

Hon. Mr. HOWE: Five of them located at White Horse and one up on the northern coast of British Columbia.

Mr. CRUICKSHANK: But the air force have a lot in their warehouses they did not hand over to you people.

Mr. QUELCH: Then the criticism we had that there are large surpluses of equipment in various parts of the country cannot be directed against War Assets Corporation but must apparently be directed against the armed forces, either the army, navy or air force. Then on the other point, the question that the Department of Veterans Affairs is not making equipment available to soldiers, apparently the criticism there must be directed against the Department of Veterans Affairs because according to you they have the right to exercise that priority along with every government department if they so desire. Therefore we should have evidence from the Department of Veterans Affairs as to why they did not exercise that priority. Then we should hear from the army and the air force as to whether or not these surpluses do in reality exist throughout Canada to-day. Those are two points I think we should have cleared up.

*By Mr. Wright:*

Q. I should like to come to another point other than trucks and tractors. It is the matter of small tools. What amounts of the small tools have been made available to War Assets Corporation? When I speak of small tools I am speaking of blacksmithing equipment, tinsmithing equipment and equipment for electrical repair work, garage work, etc., hand tools. What amounts of them have been made available, and what is your method of disposal of them?—A. If we could confine that one to the small tools like hand tools I think I can answer quite simply. We have had a considerable quantity of small tools and hand tools declared as surplus to us, and by arrangement with the Department of Labour we have arranged with them that they will pay a flat price for all their requirements for their training schools for veterans. We short circuit our own system to get them

through fast, as a matter of fact, and we get into trouble short circuiting too. A representative of the Department of Labour will inspect small tools at the same time that War Assets Corporation men are inspecting them and what the Department of Labour requires they put on one side. When they have finished up they have on one side what they require for the training of veterans. War Assets Corporation list that on what we call an availability report and the tools are delivered to the Department of Labour. They take them away and the availability report goes through our routine for invoicing and all the stuff following that. They have taken quite a percentage.

Q. That is just the point I wish to bring out, that I hoped would be brought out. Could the Department of Veterans Affairs not do exactly the same thing with these tools and get what they might require for settling settlers under the Veterans' Land Act? You are working it with one government department, the Department of Labour, which has a priority and they exercise that priority and pick what they need. Why should the Veterans Land Act people not have a priority and be in the same position if they wish to do so?—A. We do sell a tremendous amount of stuff to the Veterans' Land Act in the way of real estate and building materials and everything you can think of of that type. We already do that in quite a big volume.

*By Mr. Cruickshank:*

Q. How do you sell your machine tools, lathes, and things like that?

*By Mr. Wright:*

Q. They have not been exercising that priority with respect to small tools?—A. In respect of the training of veterans the Department of Labour have been exercising their priority and taking tools from us.

MR. PEARKES: Do the Veterans Land Act people not have to buy new equipment? Are they permitted to buy second-hand equipment and sell it to veterans? I think not, but I am not sure whether I am correct.

MR. QUELCH: In reply to that I would like to state I did receive word from the supervisor at Calgary that they are notified promptly by War Assets Corporation that they have certain stock and "will they come and inspect it to see what amount they desire?" Apparently they have that right. Therefore I say the criticism should be levelled against the Department of Veterans Affairs rather than War Assets Corporation.

*By Mr. Cruickshank:*

Q. How do you sell lathes and equipment like that? Do veterans have a priority in that?—A. In so far as possible all machine tools are sold through dealers. We have tried in the case of machine tools to give first priority within reason to manufacturers on the basis that the manufacturer will employ people immediately if he can purchase equipment to put them to work. We have advanced that priority over and above the federal priority, as a matter of fact, in the case of machine tools.

Q. For instance there is a machine shop in Nanaimo. I do not know why it should come to me, Mr. Pearkes, except that they thought I had the inside track, not you.

THE VICE-CHAIRMAN: Before the minister leaves I wonder if Mr. Howe would have some statement to make to the committee.

HON. MR. HOWE: I really came to apologize for not coming yesterday. I got involved in a series of committee meetings that did not make it possible, but I felt that my parliamentary assistant and the two experts could give you information. I just came over this morning to make sure they were giving information. I think they are doing that.

It seems to me that the success of War Assets Corporation in meeting the requirements of the veterans depends on making stuff available, getting it out of government hands and into private hands. In doing that I know they are giving every preference to veterans. Everyone that works in War Assets Corporation is instructed if there are two claimants and one is a veteran the veteran gets the material. I think that is the overall policy, as I understand it. But you can never satisfy the veterans until there is enough for all. That is what we are trying to make available as rapidly as we can. Sales have now reached the \$100,000,000 mark, and I think War Assets is really getting into its stride. I notice that criticism is a good deal less now than it was a year ago when very little material was coming on the market. I think War Assets Corporation will do more to meet the requirements of this committee by increasing its volume of sales than in any other way, and in the meantime giving every preference to veterans.

Mr. QUELCH: If you were notified that certain dealers were not giving that preference would your department be prepared to warn them that unless they carried out that preference further steps would have to be taken?

Hon. Mr. HOWE: We would do that. We have never had occasion to do so. Is it your experience that dealers are not respecting the veteran's preference?

Mr. QUELCH: Not in regard to War Assets, but I do know that certain machine companies had to take action against certain dealers. They told them unless they gave the preference further supplies would be cut off.

Mr. Mutch: It is true we are in the hands of about four main dealers in motor vehicles.

Mr. CRUICKSHANK: Can I get an answer now? According to what the minister says that preference is given. How does a veteran go about getting lathes, etc?

The WITNESS: Normally he would apply to a machine tool dealer.

*By Mr. Quelch:*

Q. He has to go to the local D.V.A. man and get a priority slip. Then he presents the priority slip to the dealer?—A. I do not know whether he goes to the D.V.A. or not.

*By Mr. Cruickshank:*

Q. It must go through the Jones Machinery Company in Vancouver. I applied through your office in Montreal and they said the inventory for the west had been sent back to Vancouver and directed me to contact your representative in Vancouver for the inventory of machine tools available. Why would they tell me to contact your man in Vancouver unless he is disposing of them?—A. I think I might explain that one. Originally all the business of the corporation in machine tools in particular was being centralized through Montreal, and we found such a volume of let us say machine tools for sale that Montreal was becoming a bottleneck. So we turned and recognized the situation, and we decentralized and passed these machine tools to local offices for sale in the localities.

Q. Would that be the local point on that particular make of machine?—A. Possibly, yes. It would be through the local War Assets office who would then sell them to the local people.

Q. What I am trying to get at is this, how is the soldier in Vancouver or the Fraser Valley going to get these tools which he needs to make a living with?—A. It does not matter. If he goes to any dealer; any of them may approach the War Assets Corporation and obtain a machine tool. We do not mind whether he is the original agent of that machine tool or not.



Q. And he gets a commission?—A. The dealer gets a commission. I do not know that I should designate it as a commission. He gets a discount for acting as the agent for War Assets Corporation.

Q. Have you any idea of how that commission is based? Does he get any regular commission such as he would get normally for handling these?—A. I would like to call that rather than a commission, a regular discount. We pay discounts to the dealers because they are acting as retail outlets for the War Assets Corporation, and we could not expect them to maintain premises, employ people and handle stuff, recondition it, and in some cases guarantee the stuff they sell, unless we pay them for their services.

Q. All right, then we will take that machine, let us say it is a lathe, or a cutter; he would take it in and recondition it and then resell it?—A. Depending on the condition of the machine whether they could sell it or not.

Q. What I am trying to get at though, they get their regular discounts. We will say for the sake of argument they do not handle the lathe at all, it is in good shape; they have no investment, no inventory to carry.—A. The dealer might be lucky on one lathe and might not have to do anything to it, but he might have another two lathes later on on which he might have spent a good deal of money. Then on the average he would come out all right.

Mr. CRUICKSHANK: I bet he comes out all right on it.

*By Mr. Archibald:*

Q. Has War Assets any medical or surgical supplies; and, if so, where does the doctor go to get them.—A. Practically all of our surgical supplies at the moment are taken up by the Department of Veterans Affairs and the Department of National Health and distributed accordingly to the various institutions and hospitals. But say an individual wanted to buy a stethoscope, or something of that type, our advice to him would be that he go to the one who normally sells him his stethoscope. I brought out the fact this morning that we could not go into the retail business, if we did we were sunk. So the only way we can do it is to put our surplus in with the new production which has now started to come in, and in that way hope to fill the gap of the war years.

Q. There is a definite shortage at the present time and doctors cannot get it. I was wondering if there was any way in which they could get a list of what supplies of that type were available?—A. I have no list of all of the items you could mention which would be required to fill the gap in production which developed during the war years, those things with respect to which there is a shortage.

*By Mr. Moore:*

Q. Have you a list of turning lathes, slotting machines, cutters, etc., which are made available to the War Assets Corporation?—A. Gentlemen, if I have to answer that one I will have to say, yes. But I would ask the members of this committee to remember that we are handling the business of nearly \$20 million a month, and I cannot possibly know every spring and washer that we handle. I would say, generally, yes.

*By Mr. Green:*

Q. What about the boats used in fishing? We have had cases where veterans have tried to buy some boats declared surplus. Do they have to go to their dealer in boats? In a case like that why should they not be able to deal directly with your office?—A. In a case of real estate—land, buildings, boats and aircraft—we sell those directly to the public ourselves. Those are the only exceptions. In the case of boats, we advertise the boats for tender or for bids (you have probably seen some of our advertisements) and the individual veteran must then put in his bid for the boat.

Q. Does he get any priority?—A. No. If his bid is the same price as another man's, say one man is a veteran and the other is not—then the veteran would get the boat.

Q. But if a fishing company happens to bid a little higher than a veteran, then the veteran is out?—A. Might I suggest that the fishing company might intend employing quite a number of the veterans on these boats.

Q. Oh, well, that does not matter—A. I think it does matter.

Q. Is there not some way in which you can work out a reasonable priority for veterans who want to get boats to go fishing? Could he not give you a certificate from the Department of Veterans Affairs that he needs that boat to become re-established?—A. Let me ask you this: We have a boat advertised for sale. We get a bid of \$1,000 for that boat, and we have all the bids in. Let us say that among them is a bid from a veteran, let us assume that he is a deserving veteran, of let us say \$600 for that boat: What can I do? Can I sell that boat to the veteran for \$600 and throw the \$1,000 bid out of the window?

*By Mr. Pearkes:*

Q. Take the question of real estate. You set a price of eight per cent on the original construction of that structure. Would it not be possible to do something similar in the case of a boat? There is a boat on which you set a percentage of cost, on appraisal of course, so why then not give any veteran who is prepared to pay that amount a preference. You will not, of course, include Fairmiles?—A. No. Just incidentally, if you would read the report which I gave on Fairmiles to the war expenditures committee last year, I think you would find an interesting story there. As far as buildings are concerned we established eight per cent of original cost on all buildings as representing the established value of those buildings if they were to be removed from the property, and all costs had been paid in connection with their removal. They are only made available to people on that basis, people wanting to use them either for housing or educational work, or hospitals, or public use—in the public interests. And that eight per cent is more or less an arbitrary figure so that the house or building may be sold quickly without having to send out appraisers to appraise the value and take quantities and then put a price on it which we may or may not get. That figure was taken as a sort of yardstick to get the material in of the type to which I have referred into houses, or into the hands of people who wanted them to provide housing. That eight per cent representing the salvage value of the building.

Mr. Mutch: But not the value.

The WITNESS: But not the value of the building. You would not suggest that I could do the same thing with a boat, put a salvage value on it whereby the man would pull the planking out and sell the planks separately?

Mr. PEARKES: I do think that you could fix a reasonable figure so that wherever a veteran wished to buy it he could get priority at a fixed rate, then if he did not put in his bid throw the sale open to the public. I may tell you that there is a lot of hard feeling along the Pacific coast about the sale of these boats. I have a large number of fishermen after me on this question and it is difficult to satisfy them and there has been a great deal of strong feeling that they have not had a fair break on it. That applies particularly to the men who have been operating boats in the services, they find that when they come to bid for the boat it has already been sold, or something like that.

The WITNESS: I am again, Mr. Chairman, up against the problem of what is the correct price for these boats; and the only way in which I can discover the correct price is by finding out what people are ready to pay for them, and I have to check that in most cases by having to have the boats appraised by a competent appraiser. If we do not get bids somewhere near the appraised value of the boat

we do not accept them. That is the only way we can protect the public in my operations, to get a fair return for the goods we sell.

*By Mr. Green:*

Q. Why could you not get your appraiser to appraise the value on a boat and then if any veteran is willing to buy at that figure sell the boat direct. If he is not willing to buy at that figure then put the boat up for sale by tender. Why can't you do that? Because, if he bids, under the present system the veteran is getting no preference, no priority whatever.—A. I do not think that is right. The veteran gets priority providing his bid is the same, or relatively the same as that of the highest bidder.

Q. What do you mean by relatively the same?—A. Within a few dollars, depending upon the size of the bid and the size of the boat.

Q. Do you accept bids in excess of the price ceiling?—A. We are controlled by the Wartime Prices and Trade Board.

*By Mr. Cruickshank:*

Q. Does the Canadian Legion get any preference on buildings?—A. If they are required for housing.

Q. In this particular case I am referring to, in a typical, hospital building for soldiers adjacent to an army plant. These have been declared surplus. Would the local branch be given a preference?—A. It would again depend on the circumstances surrounding the case. I tried to point out in my brief the difficulty of administering a blanket priority system because, as I said, if the steel maker could not get the steel for his building he could not increase his output of steel.

Q. But I mean at the present time according to your own brief.—A. If I had a request in from a veteran department, or a provincial government or a municipality, I would have to give them out of a blanket priority first choice, and on examination of the case it might be found in the public interest to sell that building to the legion.

Q. That is what I am getting at.—A. Relatively, in most of my operations, this thing is moving so fast that we have neither the time nor the facilities to check all of these specifically, but when a matter of that kind comes up and we get a representation of that kind we take it into consideration.

Q. But if this is not required by priority holders—in this case the legion has undertaken a large expenditure of money on adjacent property—you would take that into consideration?—A. I would take that very much into consideration.

*By Mr. Pearkes:*

Q. On the question of these boats where they are being sold to an individual or a firm, on the tender form used is there any place to indicate that a man is a veteran or not?—A. I do not think so.

Q. Then how does your representative know whether the man applying is a veteran or not.—A. The only reply I can make to that, sir, is to say that if provision is not made for that information to be indicated on the forms now in use, we will make provision for it to be shown.

*By Mr. Mutch:*

Q. There is just one more question I would like to ask. I can understand quite clearly the method of reaching a fixed price on buildings. Boats and some other materials are sold by tender. What was the principle which motivated you in deciding which type of salvage should be sold by tender, and which by appraisal?—A. I am afraid I do not get the question.

Q. The question is, how do you decide whether any materials shall be sold by tender, or by auction in some cases, rather than have a fixed appraisal



price?—A. Our general policy is to advertise for sale. In practically all cases, that is our general policy.

Q. That is the exception though?—A. We departed from that in relation to hutments and buildings capable of being converted into houses, so that we would not lose any time in making these available to veterans or others for housing purposes.

Q. So that the general policy of disposal is to call for tenders and sell to the highest bidder?—A. Either bids or tenders.

Q. And that principle applies only in cases where the right of priority is not functioning, and the veteran only has priority, or preference, if his bid is the highest or equal to that of the highest tenderer.—A. It is very difficult to generalize right across the boards. I can only state the general policy. There are variations of that general policy which develop from time to time where we give certain specific instructions in relation to certain types of materials.

Q. There would be exceptions which would apply to particular commodities, but the general policy is to sell by tender or bid?—A. That is right, by tender or bid.

*By Mr. Herridge:*

Q. In connection with the sale of boats, by tender or otherwise, would it not be possible to give the veteran an advantage of say ten per cent?—A. I have no authority to do that.

Mr. ASHBY: Considering the millions of items that have been dealt with by War Assets under Mr. Berry, I think he deserves a great deal of praise for the way in which it has been handled. It is all right to criticize, but when you come to consider the tremendous job that he has handled I think he deserves a great deal of praise. I would like to have that put on the record.

• The WITNESS: Thank you.

Mr. CRICKSHANK: See that I get my bus.

(Mr. Berry made a statement off the record)

*By Mr. Green:*

Q. When you told Mr. Herridge that you had no authority to give a veteran a ten per cent preference; that is merely a matter of government policy, is it not, and could be changed.—A. It would be I think a matter on which I would have to have direction from the government.

Q. We realize that.—A. Because it would eventually put the veteran, let me say in this particular instance in a privileged class above anybody else; so that it becomes a matter of government policy.

Q. That is the way we think it should be.—A. That is something on which I cannot do myself.

Mr. McILRAITH: If I might be permitted to elaborate on that answer, Mr. Chairman; the thought in your mind was that it would be going into public funds which is not a matter within the jurisdiction of the Corporation.

The WITNESS: That is right, sir.

Mr. McILRAITH: I think you have a point there, Mr. Green. It would be a matter of government policy and instruction to the corporation.

Mr. GREEN: Yes.

Mr. McILRAITH: I think that is the point Mr. Berry made.

Mr. GREEN: I think you have shown very clearly to-day that the priority to the veteran is pretty slim, when it comes to War Assets, but we would like to get it for him.

The VICE-CHAIRMAN: Before we adjourn I should like in the name of the committee to thank Mr. Berry and Mr. Birchard for the presentation which they have made here to-day. The Hon. Member who has just praised the War

Assets Corporation was entitled to do so, although we have taken a critical attitude here as a committee I think we appreciate the magnitude of the job you have on your hands, we appreciate very much the work you have done.

Mr. GREEN: Mr. McIlraith was to have asked some questions. I suppose Then he refers to a particular case:

The VICE-CHAIRMAN: If it is just one question you might proceed.

Mr. PROBE: Before we adjourn I would like to finish up with Mr. McIlraith something about which I was talking yesterday. I received a communication from the Citizens' Rehabilitation Committee of Regina yesterday morning which dealt with the subject of "B" priorities, and I thought it should be inscribed on the record to show how these worked. This is March 25. It says:

The local rationing officer states that the percentage-allotment-quota for this district is quite lenient in comparison with other provinces, but we are wondering that if for some of the following reasons there might be some reconsideration for increasing the quota allotment for this district, at least temporarily until the seeding season is completed.

Then he refers to a particular case:

We are advised that Mr. Wilkie comes in the classification of "B" priority, . . .

—that is what we were discussing yesterday—

. . . but is unable to have a permit granted because of the present quota allotment for this district. We are further informed that approximately 300 such applications would have to be filled before a permit could be issued to Mr. Wilkie.

Now, that is the relevant information from this letter. The original went to Mr. E. P. Milne, Motor Vehicle Controller, Ottawa. The point being made in the letter is this, that this man cannot even get a "B" priority because there are 300 other applications ahead of him for "B" priorities which have to be filled before his application is considered. He cannot even get a truck. There is no sense in getting a priority, according to Mr. Pettigrew—

Mr. McILRAITH: I think I can help Mr. Probe by directing his attention to one paragraph of the amendment of March 26 with which I did not deal the other day. It says: "The priority of a purchase order placed before or in anticipation of the issuance of a priority certificate is to be governed by the date when the priority certificate is placed in the dealer's hands, and not by the date of the placing of the purchase order." That, I think, helps some.

Now, the other point has to do with the quotas. We get back into the supply question there. I take it from your remarks that the suggestion is that the quota temporarily might be not followed in the interests of getting work done in that area, the type of work they are doing in that area. That is something I have not given any consideration to, nor have I discussed it with the controller.

Mr. MUTCH: I do not think that is the most important point; it is the fact that the representative of the Motor Vehicle Controller—this is on the 25th, and he may not have had—

Mr. McILRAITH: That is right; he did not have the order.

Mr. MUTCH: He must issue the priority immediately under the order of the 26th, as I understand it.

Mr. McILRAITH: That is correct. I think this order substantially clears up the point raised.

Mr. PROBE: Will that put the veterans at the top of the "B" priority group? It does not.

Mr. McILRAITH: Before we adjourn I should like to answer a question asked by Mr. Green. Yesterday Mr. Green asked: "Why is it that a veteran who is trying to set himself up in business and cannot do that unless he can get a truck is not included in "A" priority? There is a time element in re-establishing these men if they are to be re-established at all. If they need a truck, they have got to get a truck quickly. I should like to know why they have not been included in the "A" priority?" That is the question asked by Mr. Green yesterday.

I note that the question relates to trucks only, not to tractors.

Mr. GREEN: I meant it to apply to all.

Mr. McILRAITH: There is little difference between the two. Dealing with trucks, I wanted to draw your attention to this: "A" priority is in a wholly different position from "B", speaking generally; "A" priority deals with national public services of one sort or another, and "B" is the priority dealing with individual firms or persons. For instance, take the trucks for veterans' hospitals, the police services, public garbage disposal, trucking services—that is, licensed public service vehicles on the routes; and then the only exemptions are wholesale delivery of dairy food and petroleum products. So "A" does not really deal with private individuals.

Mr. GREEN: Could there not be a new classification set up, say an "AA" category, which would put him ahead of the "B" group?

Mr. McILRAITH: I had not thought of that one. Certainly he could not very well be put in "A", because that would put him in a position where he is competing on an equal footing with veterans' hospitals or the veterans' housing projects or things like that. For instance, take the case of a veteran in a business which is not at the moment very urgent or essential except from the point of view of his own rehabilitation—something like selling soft drinks—it would hardly be fair to put him in the same category as these public or veterans' organizations.

Mr. GREEN: Will you give consideration over the week-end to establishing a new category?

Mr. McILRAITH: That is to take veterans out of "B" and put them somewhere between "A" and the present "B"?

Mr. GREEN: Yes.

Mr. McILRAITH: I will discuss that.

The WITNESS: During the war period we did not start out with that type of priority in Canada, but other countries did. We started out with "A", "B" and "C" priorities and then we got so filled up that we started out with an "AA" priority and a "BB" priority and a "CC" priority. Finally we came to the point where there was an "AA-1" priority and an "AA-2" and an "AA-3" priority, indicating that you arrive at the point I described in my brief where you might throw out the priorities and start giving individual allocations in individual cases.

Mr. GREEN: That would not necessarily follow if you added one new group.

The WITNESS: The one new group you might add might push the whole thing out of gear.

Mr. GREEN: You would be putting the veterans at the head of the "B" group.

Mr. McILRAITH: I may say that with the amendment to the truck order of March 26 it is anticipated that it will do far more by way of relieving the general difficulty which veterans are having than members of the committee perhaps feel. I realize that that is a general statement.

Mr. Mutch: Is that based on your belief that more trucks are going to be available?

Mr. McILRAITH: Yes.

Mr. Mutch: Because unless it is based on that, speaking frankly, it is a case of thank you for nothing. There is no use having a top priority if there is nothing to sell.



Mr. McILRAITH: That point about thank you for nothing came up several times yesterday and we can only tell in dealing with the civil situation—we can only say what the facts are, and it was necessary in the passenger car order to permit the passenger car dealers to sell without any priority certificate.

Mr. Mutch: I started that yesterday.

Mr. Green: They are doing that now.

Mr. McILRAITH: If there are no priority certificates in their hands they are doing that now.

Mr. Probe: We have been talking about vehicles entirely with respect to priorities, but this matter of lumber that was mentioned in a recent Department of Reconstruction order—

Mr. McILRAITH: P.O. 11.

Mr. Probe: Yes. Does the veteran who contemplates building a new home of his own get any consideration at all, or is it only for the man who has got a house all but built?

Mr. McILRAITH: I did not anticipate being questioned on this subject this morning, but answering from memory, P.O. 11 does three things: it gives priorities to Veterans' Land Act and Wartime Housing houses; it gives priorities to approved veterans' homes—that is where they are going to build houses—

Mr. Probe: Individual classes?

Mr. McILRAITH: No, that would be either a private organization or a firm building a group of houses on a certain plan, limited strictly to veterans. It covers those two classes and also veterans' houses that are 75 per cent complete—this refers to individual veterans working on an individual basis who are either building through a builder or doing it themselves. Those are the three categories specifically covered by that order, and they were all given priorities on an equal basis, not graded.

Mr. Probe: Where does the individual veteran who is building come in under this scheme? He is still out.

Mr. McILRAITH: That is the individual building of a new house.

Mr. Probe: Yes, where is that new authority?

Mr. McILRAITH: But it was not in that order.

Mr. Probe: You do not know where I could get that authority, do you?

Mr. McILRAITH: Yes, I can give you that easily.

Mr. Green: Will you bring us in an answer with regard to setting up a new category?

Mr. McILRAITH: Yes, I am going to get that information for you.

Mr. Mutch: I was the one who said yesterday—some may have thought flippantly—thank you for nothing when the announcement was made. I would not like anyone in the committee to think that I did not realize that this is, perhaps, the most important concession in the way of a priority to veterans in the motor vehicle field which we have received. I only meant that in view of the fact that, say, tomorrow, in the majority of areas in Canada a man might have a priority and there would be nothing for him to buy. The time may come, you say, sooner than we expect; and that is the most hopeful information I have heard. But the time will come when that is an exceedingly important concession to all veterans, and I have no doubt that it is appreciated as such. A large body, prior to that, were completely left out of the picture to take their chances with the public at large, and they are now well in on the top class, certainly they are in an exceedingly preferred position, and I am appreciative of that. I do not want you to get the impression, Mr. McIlraith, that the order itself means thank you for nothing as of June or July or any other time, but merely today; the man who needs a car next week is in a better position than he was before, but for the moment he has not got a car.

Mr. McILRAITH: At the moment they are really at the top of the class in this way, that any veteran who shows the need in his business for a truck can get a permit; no other person can do that.

The Committee adjourned to meet again on Tuesday, April 2, 1946.

Doc  
n  
er  
XC2  
45V21

Canada Veterans Affairs Special  
Committee on 1946

SESSION 1946  
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

Tuesday, April 2, 1946

## WITNESSES:

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;  
Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act.

## ORDER OF REFERENCE

HOUSE OF COMMONS,

Friday, March 29, 1946.

Ordered,—That the name of Mr. McKay be substituted for that of Mr. Probe on the said Committee.

Attest.

ARTHUR BEAUCHESNE,

*Clerk of the House.*



## MINUTES OF PROCEEDINGS

TUESDAY, April 2, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Cleaver, Cockeram, Croll, Cruickshank, Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Harris (*Grey-Bruce*), Herridge, Jutras, Kidd, Lennard, MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver N.*), Skey, Tremblay, Tucker, White (*Hastings-Peterborough*), Winkler, Winters, Wright.

*In attendance:* Mr. W. S. Woods, Deputy Minister of Veterans Affairs; and Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act.

The Committee proceeded to consideration of the Veterans Land Act.

Mr. Mackenzie stated that in his opinion two amendments to the Veterans Land Act were of great urgency and suggested that if the Committee were prepared to recommend their adoption they could be more speedily dealt with by Order-in-Council and later incorporated in a bill to amend the Act. The amendments suggested would have the effect of:

(1) Enabling the Director to enter into a contract under the Act with a soldier settled under the Soldier Settlement Act who had sold his property, or whose property had reverted to the Director, and who was still legally indebted to the Director. This could be accomplished by adding the words *except with the approval of the Minister* at the beginning of Section 23 of the Act.

(2) Enabling the Director to purchase stock and equipment up to the value of \$3,000 for veterans leasing farms, or owning their own farms, provided that the amount of the loan in such cases would not exceed 40 per cent of the value of the land and buildings, as determined by the Director, and provided further that 20 per cent of the cost of the stock and equipment so purchased was paid by the veteran. The suggested amendment would further provide for a grant of 40 per cent of the value of the loan on the completion of the agreement under conditions similar to those contained in the present Act. Should a veteran later wish to purchase land and buildings he would be entitled to assistance, as at present provided, up to the amount of the difference between the amount of his loan and the sum of \$5,800.

The Chairman outlined briefly the effect of these two suggestions. He also pointed out an anomaly in present legislation whereby a veteran must forfeit his re-establishment credit to take advantage either of educational benefits or benefits under the Veterans Land Act, but could receive university training and still be eligible for assistance under the Veterans Land Act.

Mr. Murchison was called and questioned.

On motion of Mr. Mutch, it was resolved that the Committee recommend to the government that action be taken by Order-in-Council to implement the suggestion of the Minister of Veterans Affairs that the Director be permitted,

at the discretion of the Minister, to enter into contracts under the Veterans Land Act to veterans of World War 1 whose indebtedness under the Soldier Settlement Act has not been discharged.

On motion of Mr. Ross it was resolved that the Committee approve the suggested assistance to veterans operating leased farms, and recommend to the Government that action to implement this suggestion be taken by Order-in-Council.

On motion of Mr. Wright, it was resolved that the Committee recommend that the Government take action by Order-in-Council to make any veteran who has received university training under veterans Rehabilitation Act, other than a short course of not more than ten months, in an agricultural college, known as a "diploma" course, ineligible for benefits under the Veterans Land Act.

At 1.00 o'clock p.m., the Committee adjourned until Thursday, April 4, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*

#### ADDENDUM

Minutes of Proceedings Tuesday, March 26, 1946, page 5:—

*Members present:* Mr. Bentley.

## MINUTES OF EVIDENCE

HOUSE OF COMMONS,  
APRIL 2, 1946.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, as you will remember, the steering committee recommended that today we should take up two definite proposed amendments to the Veterans Land Act which were at that time under discussion, and endeavour to see if we could come to an agreement in regard to them and then, after that, of course pass on to the fire fighters and supervisors. The honourable the minister is here and ready to make an announcement to the committee in regard to these proposed amendments.

Mr. BENTLEY: Before you come to that, may I have the privilege of bringing a matter to your attention? I notice in the record of proceedings of the first meeting my name was omitted. However, I was in attendance. I do not know if it is too late to have that changed.

The CHAIRMAN: No.

Mr. BENTLEY: It is omitted in the list of those who attended.

The CHAIRMAN: That will be noted, Mr. Bentley. It is too bad that we missed your name.

Mr. BENTLEY: It is not a very important matter.

The CHAIRMAN: Well, you are a very faithful attendant and we want to give you all the credit that you should have.

Hon. Mr. MACKENZIE: Mr. Chairman and gentlemen, I will read this very brief announcement and then any explanation can be given by Mr. Murchison, as I have to go to a council meeting at 11.30.

As stated by your Chairman, Mr. Tucker, it is proposed that the committee deal this morning with certain aspects of the Veterans Land Act. In this connection I have two announcements to make:—

### 1. Section 23, the Veterans Land Act, 1942, reads as follows:—

Loans or advances authorized by this Act shall not be made to persons who obtained loans or advances under the provisions of the Soldier Settlement Act, and who are indebted to the Director of Soldier Settlement.

It is believed that this section of the Veterans Land Act should be modified; otherwise certain veterans of both wars who obtained loans under the Soldier Settlement Act are being unreasonably excluded from benefits of the Veterans Land Act.

This modification can be brought about by adding as a preface to Section 23 the words "except with the approval of the minister".

An amendment—if approved—is not intended to substantially widen the scope of the Veterans Land Act, but to meet a limited number of cases where all the circumstances justify such action being taken.

If, following examination, the Committee is prepared to recommend that this amendment take immediate effect by executive action, I am prepared to submit an appropriate recommendation to His Excellency the Governor General in Council to be ratified later by formal amendment to the Act.



2. It is a matter of common knowledge to the committee that the Director of the Act, and veterans, are encountering difficulty in securing sufficient agricultural land of good quality at prices within the existing sales ceiling in the Act, namely, a maximum of \$6,000.

The rise in land values during the past few years in practically every part of Canada reflects a degree of buoyancy and optimism in the agricultural industry which of course is beneficial to those who are already engaged in agriculture but this also reacts to the disadvantage of veterans seeking establishment as farmers.

It is believed that an increase in the sales ceiling of \$6,000 would merely encourage further rises in asking prices for land and therefore would not solve in any substantial degree the existing difficulties confronting the administration and the veterans concerned. Consequently it is proposed that an alternative approach be taken.

The proposal is that the Veterans Land Act be amended in terms which will provide alternative methods of establishment in agriculture; (a) by providing for a greater measure of capital assistance for farming equipment and live stock and a lesser amount for land; (b) by providing substantial capital assistance for farming equipment and live stock with which a veteran may commence farming operations on rented land or privately purchased land; to be followed later by additional capital aid for completion of land purchase if required.

It is believed that while this proposal will not have wide application in all parts of Canada it will be of substantial assistance in many localities where farms of a value in excess of \$6,000 may be rented from their present owners by fully qualified veterans possessed of the stock and equipment needed for such an enterprise.

In other words, it will provide an alternative form of establishment and in practice it is hoped that it will accelerate the settlement on the land of qualified veterans.

This proposal will not likely produce a large volume of establishments during the year 1946 because cropping plans for this year are now well advanced. And there is also the continuing problem of securing all the new farming equipment required, even for those who are being established under the Act as it stands.

However, if, following examination, the committee is prepared to recommend that the plan be adopted without delay in order that some progress may be made this year and that veterans and the administration may start planning for 1947 operations, I am prepared to recommend to His Excellency the Governor in Council that action be taken by executive order to be ratified later by a formal amendment.

In making these announcements to the committee I have confined myself to the broad principles concerned. I have no doubt you will wish to examine both of these proposals carefully and to discuss essential details.

Mr. Murchison, Director of the Act, is here and is prepared to answer questions or give his views on details regarding both the matters to which I have referred.

Mr. WRIGHT: Can we have copies of the brief submitted, Mr. Chairman?

The CHAIRMAN: It just depends, Mr. Wright, on whether it is decided to propose recommending this in a bill or by order in council. Mr. Murchison has asked me to outline, in a word, the proposed changes and the limitations which it is proposed to make upon them. It is proposed that, if a man produces a lease and an economical proposition which indicates that he can make good on that land, he can get up to \$3,000 assistance or he can purchase \$3,000 worth of stock and equipment. He himself will pay down 20 per cent; that is, if he

gets the maximum he will himself pay down \$600. The conditional write-off would be \$1,200, and he would sign an agreement to pay \$1,200 with interest at 3½ per cent, possibly over a term of ten years, no title to be given until the end of the ten years. The limitation on that which was suggested, so that you would not have people with a very small piece of land asking for the full \$3,000 and pressing the director to enter into uneconomic propositions, was that he could only ask to buy 40 per cent of the value of the land; that is, if the value of the land was put at \$8,000, he could get the full \$3,000. But if the value of the land was only, say, \$5,000, then he would be able to get \$2,000, of which he would pay up 20 per cent and get a proportionate conditional write-off. That is the one amendment, or the broad terms of it.

The other one, of course, is quite clear. If a soldier settler from the last war found, at the end of some years, that he wanted to leave the farm, he sometimes assigned, with the consent of the director, his contract. A lot of those contracts today are not paid up. The original soldier settler is shown on the books of the Soldier Settlement Board as still owing the money that is still due them. In other words, he was not released. That man might come forward today asking to be settled under the Veterans Land Act and the answer would be "you still owe money under the Soldier Settlement Act", although the agreement might be in good standing and there would be no thought of the government losing anything on it. That is one case.

There is another case where a young man might have been settled on a piece of land where, after some time, he decided that he could not make a go of it and may have gone to the Soldier Settlement Board director and said, "I want to be released from this proposition" and he would throw the proposition up. The director would resell the land as it is shown on the books of the Soldier Settlement Board administration that that man still owes that money, or the deficiency of that money. In cases where it is thought that he is worthy of being settled under the Veterans Land Act, it is felt that what happened say twenty years ago should not prevent him from being settled, if the director so advises the minister and the minister considers that he should have the benefit of the Veterans Land Act.

Those are the two amendments that are mentioned by the minister this morning. There is another thing which I thought should be brought before the committee. It has been mentioned many times and it is something I wish the committee would bear in mind and discuss this morning. It is this situation: a man who goes and gets the benefit of university training—by an oversight, I think,—is to-day permitted to apply at the end of his university training to be settled under the Veterans Land Act. He could apply for the full benefit of the Veterans Land Act in reference to a small holding. I think most of the members have mentioned to me that one of the sort of troubles they run into is that many people come to them and say that the farmers are much preferred as compared to the average working man who comes back and just wants to take his job back again. Of course, if it is to become generally known that a man who is able to take a university course, which may cost \$5,000 or \$6,000, could top it off by getting an additional grant of perhaps as much as \$1,700 on top of his university course by settling on a small holding, the fellow who could only get his re-establishment credit might be even more in the state of mind where he thought he was being sort of discriminated against. So there is the question of whether this committee is prepared to make any recommendation that if a person takes a university course he should not, at the same time, also have the right to claim to be settled under the Veterans Land Act.

Those are the three things to be considered. I do not know whether we can dispose of them all this morning, but I suppose we might first of all take up the first item, and that is with regard to giving the minister discretion to settle a man who still owed money under the Soldier Settlement Act. You are familiar



with the suggestion, that the administration is either prepared to proceed by way of a bill which will be brought in and put through when we are able to do so or, if this committee recommends it, in order to get speedy action, a recommendation will be made to council to bring it into force by order in council. It will then be embodied in a bill and brought before this committee before the end of the session if it is physically possible to do so.

Mr. BROOKS: Would that be for veterans who have served in two wars?

The CHAIRMAN: Yes. It would only apply to them, because it is only the veterans who served in this war that can come under the Veterans Land Act. So this proposed amendment applies to the veterans of two wars.

Mr. WRIGHT: I think this first amendment is very good. I know there are numbers of men who were settled under the Soldier Settlement Act who found that farming did not agree with them, gave up their farms for various reasons and went into other lines of business. Later they enlisted in this war and now find themselves unable to take small holdings or take advantage of the small holding part of the present Act. I think the present amendment as suggested by the minister should be very satisfactory in a great many of those cases, and I would certainly be in favour of it.

Mr. QUELCH: Mr. Chairman, I think the proposed amendment would be of special benefit to the class referred to by Mr. Wright. I have already had several cases represented to me which illustrate that example. Also there will be some soldiers who were settled under the old Soldier Settlement Act in the dry areas and who failed through no fault of their own. If these soldiers can now settle on better land and have a real chance to succeed, I think every encouragement should be given to them.

Mr. CROLL: Mr. Chairman, may I, in dealing with the first suggestion, add my words of approval to what has already been said by Mr. Wright and Mr. Quelch and to congratulate the minister on proposing to take the action suggested. It is well to see that the government is prepared to share some of the responsibility for perhaps bad settling or whatever happened in the olden days. But I do think that this committee is of the opinion that we ought to deal with this matter immediately. A bill may not come up for three, four, or perhaps five months; I think this is one of the things that ought to be dealt with by executive order and put into effect immediately, and ratified at the proper time when it comes before the House. But I think it is a forward step and that the minister is to be congratulated on it.

Mr. ROSS: I certainly think this is a step in the right direction. It is a matter of principle that many of us have been fostering for some time. I am wondering, without any repetition of what has been said by other members, whether there should be an age limit. We have had difficulties in land settlement already in regard to some of these men of two wars. I do not think that the director has definitely set up an age limit; but at the same time some of these chaps do have great difficulty in qualifying, I think principally due to their age at this time. I am wondering how far that amendment might go in that respect to take care of just those people.

The CHAIRMAN: Would you care to answer that, Mr. Murchison?

Mr. ROSS: It is the small holdings that we are concerned about, that these people shall be able to establish a home for themselves and their dependents.

Mr. G. A. MURCHISON, Director, Soldier Settlement and Veterans Land Act, called.

The WITNESS: Mr. Chairman, Mr. Minister and gentlemen, I think every one here will appreciate the difficulty concerning the administration in laying down any hard and fast age limit for the purpose of this Act. We find, in our operations every day, cases of the veteran who at an age of 52 or 54 is in



infinitely better physical condition than another man ten years younger. For that reason I would hesitate very much to mention any hard and fast age limit; because when that is done, you then set up a barrier that comes into your administration, and it does not matter very much what a man's other qualifications are or the dimensions of the new establishment he seeks, his age is held up as a barrier and the scheme bogs down in cases where it otherwise should not.

Mr. ROSS: I was not suggesting that you should have an age limit at all. I just wanted to have a statement about it.

Mr. MURCHISON: I would prefer to confine my statement to just what I have said as to the age limit.

Mr. CROLL: Just following that, may I say that I am informed that there is an age limit. I am informed that in M.D.2, for instance, all who are over forty-five are discouraged and told that they are not to go on the land, that twenty years from then will get them to sixty-five or twenty-five years will get them to seventy when they will be too old. Consequently they are being discouraged, and very thoroughly discouraged.

Mr. PEARKES: I was going to bring up the same point, Mr. Chairman. There seems to be an unwritten law amongst the administrators that a man over a certain age cannot get the benefits of the Veterans Land Act or he gets the benefits with certain limitations placed upon it, in regard to the amount of money that is loaned to him or the time that he has to pay that money back. I feel that there is no group of veterans who need more help and more sympathetic understanding than those veterans who have served in the two wars.

Some Hon. MEMBERS: Hear, hear.

Mr. PEARKES: Those veterans, because of their age were not eligible to go overseas during this war. Therefore they rendered the best service that they could here in this country. They cannot be re-established in the labour market, but a good many of these veterans could find an opportunity of making a small livelihood on a small holding, particularly in places such as British Columbia, where they can grow berries or bulbs and that sort of thing, where they could just get by, just make a small living. Would it not be possible to extend the benefits of the Veterans Land Act even further than is suggested in this present amendment, so that any man who had served in the two wars would be able to take advantage of the benefits of the Veterans Land Act?

The WITNESS: Might I observe there, Mr. Chairman, that the proposal which is made by Mr. Pearkes is one which I think should be considered in conjunction with an amendment which I understand is coming forward in connection with the War Veterans Allowance Act. I am sure, Mr. Chairman, that throughout Canada there are substantial numbers of veterans of the two wars who are in the same age bracket as, shall I say, this group in this committee, somewhere around fifty-five to fifty-six years of age.

Mr. CRUICKSHANK: Oh, have a heart, have a heart!

Mr. MUTCH: Take off a little bit.

Mr. MURCHISON: I think it is a foregone conclusion that a substantial number of those worthy old veterans will in due course be making application for an award under the War Veterans Allowance Act. You can see where the administration is heading when I mention that. Here we have a suggestion that aging veterans of two wars be established under the Veterans Land Act and possibly within an hour or two, or a day or two, provision will be considered for enlarging the War Veterans Allowance Act under which these very same men may be entitled to come, within a matter of two or three years. It creates a little problem in my mind, just to relate the two things together, as to the aid that the state may grant to the veteran under the War Veterans Allowance Act

to give him an economic allowance which may go up to \$60 a month and at the same time. With that knowledge ahead of us that he is heading for that position where he must be sustained by an economic allowance from the state, should the government increase that by a capital expenditure of say \$3,000, \$4,000 or \$5,000 to establish him in a home? His ability to pay for that home is going to be conditioned very largely by the allowance he is receiving under the War Veterans Allowance Act. I suggest, Mr. Chairman, that these two things might be considered in their relationship to each other.

Mr. CRUICKSHANK: The War Veterans Allowance Act does not help him to buy a home, does it, Mr. Murchison? Where is he going to live in the meantime?

The CHAIRMAN: Just on that point, Mr. Pearkes, you are aware that a man does not have to have overseas service to come under the Veterans Land Act?

Mr. PEARKES: Oh, yes.

The CHAIRMAN: So that everybody that served in the two wars; if they served in this war for over twelve months, can apply under the Act; this is to give the right to everybody, even if he served in the last war.

Mr. CRUICKSHANK: He can apply. But if he is over forty-five, is he given any consideration?

Mr. FULTON: I have a case in point that I should like to mention, in regard to the question of the age limit of forty-five years. I have a letter written by a veteran to the Vancouver *Sun* and appearing in the paper on October 17, 1945. It reads:—

Editor, *The Sun*: Sir, "Old Veteran's" plea for participation in the Veterans Land Act is worthy of thought. Like myself he was born thirty years too soon.

Having served in the last war and also put in over five years in this one, I, too, had the idea that a small holding would be the solution to my own problem. The Regional Advisory Board at Kelowna thought different. They turned my application down. Reasons for doing so: "Age, and instability of employment". Being forty-five makes me eligible for the old age pension in twenty years seeing that the D.P.N.H. cut my war pension off two months after I enlisted in 1939, regardless of the fact the government promised that pensions would not be discontinued if the man enlisted in the armed forces.

Then he goes on to state that he is employed as a saw mill worker in one of the stable industries in British Columbia and he concludes as follows:—

. . . One wonders just what some advisory boards desire in the way of employment, that is for a man to be qualified under the act. Some day they may lay down what is required so that the boards will not bring in their own little ideas as regards qualifications.

The CHAIRMAN: I wish you could give the name of that fellow.

Mr. FULTON: He signs himself "Ex-Bombardier, 1 A-T Regiment."

The CHAIRMAN: I am not questioning it. I am just wondering. If you could get the name of that chap, we could go into it and just see what happened because, personally, I think the only test is whether the man has the requisite service and is likely to be able to carry out the terms of the contract.

Mr. CRUICKSHANK: Mr. Chairman, you penalize the man if his name is quoted.

Mr. FULTON: I will see if I can locate this man. I read his letter because, whether we have his name or not, it points out the fact that there is some unwritten law as to the age limit of forty-five. I am discussing the question that he should not have to wait twenty-five years for the old age pension. I am discussing the question that we should establish him and give him a chance, the

only chance he has to re-establish himself, as against being a perpetual ward of the state, either by giving him the old age pension or the veterans' allowance.

Mr. CROLL: Let us have that made clear. I can give you the names of people who have been refused farms, people who are over forty-five years of age; and I made it my business to see the Department of Veterans Affairs in Toronto, because I was a bit startled by that and by something else they told me: Is there such a rule that an individual or a man over forty-five years of age is not permitted to settle under the small holding provision or under the Veterans Land Act?

The WITNESS: There is nothing in the statute and there is nothing in the regulations to that effect.

Mr. CROLL: Is it the practice?

The WITNESS: I would say that probably it is the practice, as a general policy; but that does not mean that every case where a man is just forty-five years of age is not considered. It must be considered in relation to the type of contract and a man's ability to pay. We have established cases over forty-five and over fifty on shorter term agreements which are quite agreeable to the veterans concerned; but I would ask that in these individual cases we be given the opportunity of looking at the individual case, because probably we have some more information on these cases than is disclosed in a letter of the type to which Mr. Fulton has referred.

Mr. CRUICKSHANK: Will you give us definite assurance that a man will not be penalized if this information is brought forward; because later on in the committee I intend to bring forward evidence that your department definitely threatens men if their names are mentioned? I can substantiate that and I intend to at the proper time. Will you give us the assurance that individuals whose names are mentioned here will not be discriminated against?

The WITNESS: Absolutely.

*By Mr. Mutch:*

Q. The witness said that age is a vital consideration in these decisions. I would like to ask him if they distinguish between farming operations and small holdings; if there is any distinction in the policy with respect to that, because I should like to point out that in the case of small holdings a man is interested not only in his own rehabilitation but has a responsibility to provide shelter for his family, and there is a continuity of security in the home which is probably not found in the farm without the farmer being there.—A. I think that is a reasonable stand to take. There is definitely a difference between the age factor that can be properly considered in relation to full-time farming venture and what can be considered under the head of employment in relation to a small holding.

Mr. SINCLAIR: With regard to the point raised—the fact that these veterans in a few years may qualify for the veterans' allowance—is there not a better way to look at it? These men of forty-five or fifty, who still have industrial employment and probably will have for the next few years, men in the small towns in my riding, for instance, could now begin a small holding or, as Mr. Pearkes says, build up a little income from bulbs and berries and that sort of thing, and when the age of sixty comes and they withdraw from their industrial employment they will be independent and will not have to accept war veterans' allowance. I think that is a much more positive approach than refusing them because in a few years they can qualify for the war veterans' allowance.

The WITNESS: I may say with regard to men in that precise age group indicated of forty-eight to fifty that the problem is not serious at all from the standpoint of these administrative feature factors; they are reasonably sound.



The big difficulty is in connection with the group of veterans who have already passed the age of fifty-six. We have them come to us at the age of sixty. Now, there is the main problem; the majority of these men are already past the age of fifty-five and there is only a very short period between that age and their eligibility to make application for the war veterans' allowance. If they are incapacitated for work before they reach the age of sixty their cases can nevertheless be considered by the War Veterans' Allowance Board. I would like to say to the committee that I think I have just as much sympathy for the old veteran of the two wars as has anyone else, and these are things that have been giving me a lot of worry for a long time, and so far as it lies within our statutory jurisdiction and a reasonable administrative policy we would like to help these old fellows as much as we can. But I do say that there are cases at the present time, a large number developing within the next two or three years, where their main income will be by virtue of a war veteran's allowance. Now, we have to consider the position of the veteran in relation to that fact. Certainly, we have no authority, and there is no intention so far as I am concerned of deliberately setting up establishments under this Act in the expectation that the veteran concerned is not going to be able to meet the terms. We have to give consideration to that.

*By Mr. Quelch:*

Q. Could not that possibly be covered in part by the amount of help that the veteran might receive from his children? Suppose there is a boy sixteen years of age who states that he wishes to help his father on the farm; would not that help to ease your position?—A. Undoubtedly, that would be a factor, but our experience down through the years does not indicate that families generally are disposed to contribute very materially to the protection of the old folks. That has been our experience. I do not say it in a critical way, but as a matter of experience.

Q. In the event of the veteran dying his son has the right to carry on the estate under the Act, has he not?—A. If he is the legal heir of the veteran.

Mr. PEARKES: Unfortunately, this Act is working in favour of a class of men who least need the help. To be quite frank may I say that I bought a place under the Veterans' Land Act. I am fifty-eight. I know of other officers who have retired on pension from the government who are also able to purchase land and have purchased land when they had been even older than I am; but the poor chap who is not getting a government pension is unable to get any advantages under this Act, and I feel that we are causing a certain amount of dissatisfaction amongst those whom I might, perhaps, refer to as the other ranks, because this is working pretty much in favour of—if I may use the expression—the officer class—the man who is getting a certain amount of money either by pension or by his ability to save, whereas the man who has been in the ranks, the soldier, is unable to get any advantage here. While I cannot offer a solution at the moment, I do feel that this is something we should give very careful consideration to.

Mr. MUTCH: Mr. Chairman, would you entertain a motion?

The CHAIRMAN: Yes. May I suggest that we are, perhaps, beclouding a little the object of the first amendment. A good deal of this consideration involves an amendment to the Act, and if the committee are in concurrence with the idea I think we might well, if we are ready, make a motion in this meeting that we suggest to the minister that he does implement by order in council immediately the concession which he has indicated he is willing to make, and so nail down the concession we are offered at the moment. I think the committee are all in agreement.

Mr. MUTCH: I move that in the opinion of this committee the minister should implement by order in council the concession which was announced this morning to veterans of both wars.

Mr. CRUICKSHANK: I am sorry I was not here, but I should like to hear what the amendment was.

The CHAIRMAN: It is provided in the Veterans' Land Act as follows: "Loans or advances authorized by this Act shall not be made to persons who obtain loans or advances under the provisions of the Soldier Settlement Act, and who are indebted to the director of soldier settlement." Now, there were some people who assigned their agreements or who had foreclosures made on them and who are still on the books and owe money to the director and they are barred if they served in this war from getting the benefit of the Veterans' Land Act; and it is suggested that it be left in the discretion of the minister to permit anyone in that position to have the benefit of the Act; and it is proposed by the minister that he is willing to introduce an order in council making that change in the Act, and later a bill will be brought in embodying it which will be before the committee.

Mr. CRUICKSHANK: If a man is dispossessed he can start afresh?

The CHAIRMAN: Yes, that is the idea; a veteran of two wars. Now, you have heard the motion. I am sure that this suggestion is a matter which is exercising the administration of the Veterans' Land Act very much; they want to go as far as they can to help out the veterans of two wars—the man who is older and served in this war and would like to get, especially, a small holding. I am sure from talks with Mr. Murchison that he is prepared to go as far as he can within the terms of the Act and a reasonable administration of it; but it is something, I think, that we might very well discuss when the bill comes up. I do urge any member who has a case of this kind which he considers deserving to have no hesitation in bringing it forward for the attention of the minister or Mr. Murchison or myself. There is no thought that anyone who goes to his member to have his case brought up will in any way be discriminated against. It is our business to see that these chaps get as good a deal as they can be given, and I believe that the administrators of the Act welcome the assistance of members in regard to these matters.

Mr. CROLL: If we pass this motion at the present time what happens? The department by regulation or by unwritten policy decides to do something else and the benefit is lost. Surely not one of these people will be under forty-five, they could not be. It may or may not have the effect we want it to have. We are all of the opinion that this is a very good thing, I do not think Mr. Murchison is carrying out the sense of this committee or of the House of Commons when he limits it in any way—when he permits the age limits in any way at all to be a factor: physical disability, yes; some other conditions, perhaps, yes; but the age limit in itself ought not to be a factor, particularly in the industrial areas where this man is almost too old for the industrial set-up today and he is being turned down for younger people. They are looking to the farms and they find that that opening does not exist either. By passing the regulation itself all we do is merely give freedom of action, but the kind of freedom of action is that which will benefit rather than handicap the soldiers.

Mr. BROOKS: I am wondering about the limitations of the amendment. This refers particularly to the Soldier Settlement Board, and under that those who would be benefited would be only those who had land under the old Soldier Settlement Board. Now, Mr. Pearkes, for instance, was not under the old Soldier Settlement Board and he is coming under this Act. It would seem to me that the amendment should be large enough to include all the older veterans, because I can very well conceive of someone who was not under the old Soldier



Settlement Board coming up for some preference under this Act and being told: "Well, this amendment does not apply to you at all, it simply applies to those who had land previously under the Soldier Settlement Board." Those who did go into this war and come under the Soldier Settlement Board are covered. If this amendment goes through they will be. Is not there going to be a large class who will not be covered at all?

The CHAIRMAN: Do you mean that the Act should be extended to those who did not serve in this war at all?

Mr. BROOKS: Oh, no; came under the Soldier Settlement Board but still served in this war. The age limit is working against them. That is the principle we are discussing here now. As I understand the members of the committee they want some assurance that this age limit will not react against these men whether they were under the Soldier Settlement Board previously or not. I should like to say that while we are discussing the Soldier Settlement Board it occurs to me that this Soldier Settlement Board should come under the War Veterans' Land Act. It seems to me that we have too many officials and too much duplication as far as work is concerned. However, that is a matter which may be considered later. Frankly, I see the duty of the Soldier Settlement Board being lessened in different parts of Canada, but they have pretty heavy staffs and, frankly, I believe that all the work could now be done under the Veterans' Land Act. A good organization is being set up, and there would be less duplication of work.

Mr. QUELCH: I second the motion. I do not like orders in council, but in this case there is a time factor which is important. I do not think it is fair to see a man turned down because of age without all the facts being before the committee. I have one case in mind of a man being turned down at forty-five—that was not the only reason—the main reason was that the man lacked financial resources, and the board felt that lacking such resources and having the additional disadvantage of age he would not be eligible to fulfil his contract. In that case it was lack of financial resources rather than age that was the basis of his being turned down.

Mr. WRIGHT: In a great many cases age is a determining factor. I know I have run into cases in which age very definitely acted against the applicant. For instance, a man made application under the Veterans Land Act. He was a soldier of two wars and had been under the old Soldier Settlement Board Act. He had a quarter section of land with a clear title and a home with a clear title situated close to the quarter section. He wanted an extra quarter section to make up an economic unit, a half section of land. Because of his age, the Veterans Land Act people insisted that he give up title to his home and the quarter section of land which were in his wife's name and his wife refused, and he was turned down. Now, in that particular case I know that if he had been a younger man he would have got consideration, and age was a factor there. I think that more consideration should have been given. This man had a sixteen-year old son who said that it was his intention to stay on the farm and to assist his father, and I think he would have made a suitable settler. Nevertheless, age worked against this man. I think there should be a distinction made. As Mr. Murchison said, I believe we will have to make a distinction between those taking permanent farm holdings and those on small holdings, with respect to age. A man can be quite a little older and operate successfully a small holding. In a great many cases I approve of the board not settling men over fifty years of age on a permanent farm holding, because such men are physically not able to carry out the terms of the contract, and it is a hardship to force them to do so, but in the small holdings case I do think that some consideration should be given to men in the matter of age.



The WITNESS: The only observation I have to make at this point, Mr. Chairman, is to recall the announcement or the observation of the minister a few mornings ago when the sessions of this committee began: he referred in his remarks to the warnings that were issued to the administration by member after member of the House of Commons when this bill was under consideration in 1942 that there must be greater care taken in the selection of the veterans and greater care taken in the selection of the land. Now, whatever difficulty there may be in soldier settlement administration today—and I am proud to say that the difficulty is very limited—but whatever there is centres squarely on the man who is today sixty or seventy years of age, and that means that he was forty-five or fifty when he was established under the Soldier Settlement Act twenty-seven years ago. Now, I think, gentlemen, that these things are not going to be lost sight of on an expediency basis today, because if we decide to disregard these warnings of care in establishing veterans under this Act we are creating a situation which ten or twelve years hence will have to be dealt with; and I think, Mr. Chairman, that I am entitled to take the stand at the present time that we have been observing the warnings issued by members of the House of Commons when this Act was put on the statute book.

The CHAIRMAN: With regard to that, gentlemen, this has been worrying me somewhat—and it is not said with any idea of heading off criticism—I have always felt that the small holdings matter was the place where you could help some of these older men properly where you could not help them properly under full-time farming. There has been a tendency to centre a lot of easy criticism on the small holding sections, and I threw out the suggestion that that had resulted in a tendency to suggest this small holding matter is a nuisance and it is getting to be the sort of an Act which it was not intended to be, where it was a land settlement proposition and so on. Veterans may understand, when we criticize this small holding business, they are wanting to get it extended, but a lot of people who are not veterans, hearing this criticism, are inclined to say: "Let us curtail it; it is getting us into so much trouble." I throw that out as a suggestion to be borne in mind in criticism of the small holdings. I had an example of this at Stratford recently. There was a small holding proposition there, and I heard around the town some violent criticism with respect to this small holding proposition. I said to some people there, "Let us look at this situation." These people who went with me and had a look at it had not looked at it before but had heard the criticism, and they were impressed and expressed their opinion of the wonderful thing it was, because people who might be getting on in years could get a home that way much cheaper than they could get one under any other system. So that I ask the members who are really interested in getting some of these people we are mentioning settled on small holdings that they discourage criticism which is, perhaps, not well founded with regard to small holdings, because there is some worry caused for fear that it may be curtailed in some way. I think it is a splendid part of the Act, and I hope we will make use of it to the fullest possible extent. I do not want to be taken wrongly to suggest that criticism should not be given where it is due, but watch that such criticism is fair criticism.

Mr. BENTLEY: When this is put in the form of a bill and put into statutory form, will it come before this committee, and will it be this session?

The CHAIRMAN: The intention is to try to get all the legislation that is in force by order in council if possible put into force by Act of parliament. That is why there is such a tremendous amount of work before this committee. You have heard the motion, are you in favour?

Carried.

The CHAIRMAN: One thing we did not mention in regard to the extension of the Veterans' Land Act is this. I mentioned what we are going to do with the man who comes forward with a lease. There is the further provision that if he gets the full \$3,000 he can at any time, within ten years, apply to get assistance to purchase a piece of land, and he can get up to \$2,800 to buy that land. They will invest another \$2,800.

Mr. ROSS: Over and above the \$3,000?

The CHAIRMAN: Yes, less the \$280.

The WITNESS: He must pay down and get an additional write-off on that of \$1,120, giving him the full additional write-off that he gets under section 9 of \$2,320. He can get that within ten years. He can come forward with the lease, get his equipment, establish a bank account, we hope, and come forward and get the balance of the benefit he would have got in the first place under section 9.

Mr. BROOKS: How long would the lease run for? For ten years or one year? Surely they would not give this to a man who had a lease for one year. There should be some time limit.

The WITNESS: It is my view that in establishments of this kind we should only, in the most exceptional circumstances, consider this an advance for stock and equipment in relation to a rental agreement which runs for less than three years. It would be much too risky, I think, to adopt this practice just for a simple annual lease. I feel that across the dominion there are quite a number of old farm operators. We determined in 1942 in the census that there were at least 75,000 old farmers in this country who need help to operate their farms. That is one of the reasons why quite a few farms are for sale to-day, but at prices beyond our reach. We feel from the information we have received that in quite a number of cases the elderly owners of these farms would be prepared to give a veteran a lease for reasonable terms if he were assured that the veteran were a qualified operator and had at his disposal the necessary stock and equipment with which to operate the farm successfully. It would be quite out of the question, I think, for any veteran nowadays to try to secure a rental agreement over a term of three years on a farm which may be worth \$9,000 or \$10,000 unless he could satisfy the owner that he, in fact, is possessed of the necessary stock and equipment to work with. So, without laying down anything hard and fast, it is my own feeling that we should not entertain this sort of proposal unless it is in connection with a lease agreement which has, say, a minimum of three years to run. Preferably I would like to see it five years, but in dealing with some of these farms where the owner is well up in years there is always the possibility of the land passing into an estate on short notice and, therefore, the rental agreement might be disturbed. I do think that three years is a reasonable term, but I would like to see it longer.

Mr. ROSS: I think this proposed amendment is timely. In my part of the country we had many settlers looking for something like this, not only in these days but in 1942. You pointed out that there were a lot of safeguards we had not set up. I maintain that too. I have some questions to ask the director. I think the question raised is a good one. Certainly you would have to be assured of a lease of not less than three years. It is not difficult to see the difficulty of getting a lengthy lease. In the prairie provinces the average age of the farm operator to-day is fifty-five years. We have been discussing the cut-off age of forty-five. Fifty-five years of age is the average age of the operator in the west to-day, therefore the operator would not want to tie up a good farm over a lengthy lease—over three years—but, on the other hand, while, as I say, many farm operators would welcome this amendment, and I think that is as it should be, your administration will also have to exercise



some safeguards here. For instance, I wonder if your appraiser would go out and appraise this farm that the man is going to have under lease. I am thinking of sub-marginal land even which the old Soldier Settlement Board had, which some of the present owners are trying to resell to the board to-day and that you should have credit against.

The WITNESS: We are doing that.

The CHAIRMAN: On that point, they would have to appraise them in order to determine the amount of the loan; in other words, they can only give up to 20 per cent of the appraised value of the land.

Mr. Ross: I realize that. But I was not clear as to who would appraise them, whether you might go to the municipal office and get their assessment or whether your own veterans appraiser would do this job. I think this must be just as carefully taken care of in your district as though you were purchasing the property, in the interests of the applicant who is going to apply for this. Certainly it is a fine step in the right direction, both with respect to the settler and to agricultural development in this country.

Mr. WRIGHT: I agree with what Mr. Ross has stated with respect to this. I think that in our own district this is going to relieve the situation considerably with respect to the demand for land. There are chaps coming back who are just finding it impossible to settle and this will give them an out for two or three years or three or four years, until such time as land may become available to them for purchase purposes. You ask for 20 per cent down in this case. You only asked for 10 per cent on your other agreement. I am just wondering why you are asking for 20 per cent of \$3,000 and later ask for 10 per cent of the \$2,800. You are asking for a greater cash payment. Is that because of the additional risk or depreciation in machinery? I suppose that is the reason given. That 20 per cent might be a limiting factor in it having regard to the people who would be able to take advantage of it. Twenty per cent on \$3,000 is \$600, and that is considerable cash for some of our boys who are just coming out of the forces and getting married. I would suggest that consideration be given to reducing that to 10 per cent. Otherwise I think the amendment is a very good one indeed and I am wholeheartedly in favour of it.

Mr. Mutch: You spoke of 20 per cent. I am quite sure you have thought of the reason that it is higher. Do you think it is an economic business proposition for a man with capital of less than \$600 of his own to ask to operate a \$9,000 or \$10,000 farm? Would you take a chance on him?

Mr. WRIGHT: It depends entirely on the ability of the man himself.

Mr. Mutch: If he has the ability, he has likely got the \$600. Do you not think that is so?

Mr. WRIGHT: When I came back from the last war I came back with less capital than \$600 and started out with something like \$7,000 debt and came out of it. It depends entirely on the individual, I think, more than on the amount of capital. It is a percentage of the money he has available. The only reason that I would say that 20 per cent should be used would be that it shows a certain amount of thrift on the part of the individual in the fact that he has that. Otherwise I do not think it amounts to a row of pins.

The CHAIRMAN: Dealing with that point, naturally the thought that came up was to have 10 per cent the same as in regard to the rest of the Act. But then the argument was: "This is a new departure, you are going to give help to a man only on rented land; he might use a considerable portion of this for stock, which has a tendency to disappear." So it felt that, in fairness to the whole scheme, they should at least show good faith by paying down 20 per



cent. After thinking of all the experiences that I have had in the way of stock and equipment sometimes disappearing, I could not really find fault with the suggestion that they should pay 20 per cent down.

Mr. CRUICKSHANK: He still has to have two years experience?

The CHAIRMAN: They will have the same administration.

Mr. CRUICKSHANK: He has to pass the same tests?

The CHAIRMAN: Yes.

Mr. QUELCH: You said, Mr. Chairman, that in the amendment the veteran would be able to get an additional grant of \$1,100 if he bought land at some later date. Today in order to get that \$1,120, a veteran has to buy a place worth \$4,800. Under this agreement he will be allowed to get an additional \$3,000 later on in order to buy land. Therefore he would have to put up, if I understand it aright, \$1,800 of his own money added to \$3,000 in order to get the other.

The CHAIRMAN: No.

Mr. QUELCH: Would you explain that?

The WITNESS: Under Section 9 of the Act as it now stands, we have a maximum valuation of \$6,000 for land, building, stock and equipment, but we may use the total amount of \$6,000 for land and buildings, in which event there is nothing available for stock and equipment. But mainly it operates on the basis of \$4,800 or \$5,000 being used for land and buildings and the balance for stock and equipment. The maximum grant under Section 9, as it reads, is tied to \$4,800 for land and \$1,200 for chattels, which provides for a maximum subsidy or grant of \$2,320. Under this proposed amendment, starting off with say the maximum of \$3,000 for farm live stock and equipment, he makes a down payment of 20 per cent and a contract to pay an additional 40 per cent. In other words, the subsidy on that \$3,000 is \$1,200. Later on, if he finds it necessary and it can be done to round out his establishment on a purchase proposition, there is an additional sum of \$2,800 available in the Act. On that he makes a down payment of 10 per cent plus 50 per cent of the \$2,800, so that 40 per cent of that amount is absorbed and those two absorptions together total \$2,320, which is the same as it is under Section 9 of the Act as it stands.

There is one point that has not been mentioned, Mr. Chairman, in connection with this proposal, and that is the operation of land by a veteran on a purchase agreement from a private owner. Provision is made in the drafting of the amendment here to extend assistance to a qualified veteran either to operate a farm on a rental basis or to occupy it and operate it on a purchase agreement. I think it is very advisable that we have that additional scope because there are veterans doubtless who could purchase land with a down payment of their own, and under terms that we could quite properly approve, and maybe five, six or eight years hence, with the equity he has established in the land, plus that additional \$2,800 in the bank, you might say, he could acquire ownership much more rapidly.

Might I say that the whole thing is a new approach to the problem, and I think it reflects a courageous attempt to find a solution, but without attempting to chase the rainbows of rising land values which would get both the veteran and the administration into a great deal of difficulty.

*By Mr. Brooks:*

Q. May I ask a question there, Mr. Murchison? Would there be an option to purchase the land in the agreement that was made between the soldier and the administration?—A. There could be.

*By Mr. Quelch:*

Q. It is not necessarily so?—A. It is not necessarily so.

*By Mr. Cruickshank:*

Q. May I ask a question? Is it possible now in any province of Canada to buy a dairy farm either for \$4,800 or for \$6,000?—A. Well, we have bought quite a few of them.

Q. At the present time? A dairy farm?—A. Quite a few.

Q. In what province?—A. Quebec and Ontario.

Q. You cannot buy one in British Columbia, can you?—A. Well, of course, you people in British Columbia put great value on your land.

Q. I understand there is a maximum beyond which you cannot go to try and help the soldier. You cannot buy a solitary dairy farm—and I definitely dispute you if you say you can—in British Columbia for \$4,800 or \$6,000. It cannot be done. I should like to know if you can do that? I say it cannot be done.—A. It would depend much on the land which was chosen.

Q. Just a minute. I should like to know. I am being hounded by men in my district who want to get a farm, and I say you cannot buy a dairy farm for those amounts.

Mr. QUELCH: Come to Alberta.

Mr. CRUICKSHANK: All right. I should like to know the names of the provinces where, at the present time, you can buy a dairy farm for those amounts. I presume the minimum is 30 acres. At least, in our province the minimum you can have is 30 acres for a dairy farm, and I want to know in what province you can buy a 30 acre dairy farm for either \$4,800 or \$6,000.

Mr. BROOKS: Come down to Nova Scotia.

The WITNESS: I do not think you need to go to an acreage of 30 acres in the Fraser Valley to have a dairy farm.

*By Mr. Cruickshank:*

Q. I beg your pardon?—A. There are dairy farms in the Fraser Valley smaller than 30 acres.

Q. Oh, about 4. Do not try to tell me about the Fraser Valley.

The CHAIRMAN: Mr. Baker has the floor. He has been trying to get it for some time.

Mr. BAKER: First of all, I heartily approve of this proposal and so I will not have any argument on that. But whenever I think of farmers I think of fishermen. Is there any way in which it is possible for commercial fishermen to come under this amendment, because commercial fishermen also have to have homes and \$1,200 does not equip the modern, ambitious commercial fisherman to set out in the fishing business. You cannot possibly do it. I was wondering if fishermen have been taken into consideration. Whenever farmers are taken into consideration, if fishermen are not brought into consideration you will always hear from me.

Mr. PEARKES: I was going to raise the same question regarding that. There is nothing in the amendment to suggest that the fishermen who are entitled to get all the benefits under this Act that the farmer is entitled to get, should not be able to get an advance of \$3,000 if he can lease a bit of property. The one thing which has been a detriment to the veteran going in for commercial fishing is that he has been tied down to a piece of land. Waterfront property is at a huge premium on Vancouver Island. If he could lease a small portion of waterfront property and then get this increased loan for equipment, it is going to help him considerably. I hope that the same privilege is going to be extended to fishermen as to the farmers.

*By Mr. Wright:*

Q. I had intended to ask some questions of Mr. Murchison with respect to fruit growing and other types of farming than perhaps the type of farm that

we know in western Canada, such as the dairy farm. Just how wide an application does the department intend to place on this amendment, or have you any idea of that?—A. Well, I think as the minister pointed out in his announcement this morning, it is realized that this amendment will not have wide application in every locality in Canada, but it will reach a substantial number of genuine cases in many localities. I can quite readily visualize in the Annapolis Valley in Nova Scotia where it would be an exceptional case that a veteran could rent, say, a 20-acre, bearing orchard that at present day values is worth maybe \$20,000 or \$25,000. The same thing is also true in the Okanagan Valley; I just find it difficult to visualize land a veteran could rent, where a 15-acre or 20-acre orchard at Kelowna today might command a sale price even up to \$30,000. I just cannot see how it would work in those cases. But just because there are difficulties ahead in applying this thing to certain localities of that kind, is not to make a very strong argument why we should not try to make it work where it will work, which I believe is the case in the great majority of localities throughout the dominion.

*By Mr. Quelch:*

Q. I should like to receive assurance on one point. Suppose a veteran leases a piece of land for a period of 4 years and he gets \$3,000 which is to be repaid over a period of 10 years. If at the end of 4 years he loses that lease, I take it that the contract will continue if he can obtain another piece of land. But what is the situation if the lease expires and he is not able to obtain another piece of land, we will say, for two years? I hope there will not be any attempt to foreclose on any of the machinery and that payment would be postponed until such time as he could obtain another lease.—A. I would say that is a reasonable approach to it, Mr. Quelch. I could not bind myself to something like that until we studied it; but it would seem to be, in administration, that if the veteran found himself confronted with conditions beyond his control, those conditions should be taken very carefully into account.

Mr. SINCLAIR: I wonder if Mr. Murchison would answer that question about fishermen?

The CHAIRMAN: I was going to deal with that. A somewhat similar provision has been under consideration for some time in regard to fishermen. There seems to be, amongst the people who know most about it, a great deal of doubt about the wisdom of this; that is to say, they were afraid that it might entice far too many people into the business and ruin it for everybody. That is one of the arguments.

Mr. SINCLAIR: The same thing applies to farming.

The CHAIRMAN: Then there is another thought, that perhaps we should deal with commercial fishing the same as we might deal with the tourist industry and other small businesses, or try to work out something that would apply to that and keep the Veterans Land Act as a land settlement proposition, without unduly extending it except in so far as it has already been extended; to deal with people who want to engage in fishing who are also part-time farmers. I can say that the matter of the extent to which this might be extended to assist commercial fishermen, has been considered at great length, and that it is something that those who are really interested in commercial fishermen might very well get together on with a view to figuring out some proposal that they think would work, because our department has been bringing forward proposals and it has been under study.

Mr. CRUICKSHANK: Who are the authorities who do not think it is practical?

The CHAIRMAN: Well, they are good friends of all of us.



Mr. CRUICKSHANK: They may be, all right. But we are asked to tell the name of the farmer who is turned down. I should like to know who these authorities are. Sinclair, Wright and Brooks represent more fishing than all the authorities you have got in this town. Who are those authorities?

Mr. PEARKES: Mr. Chairman, there are very few men who are connected with the fishing industry who sit on any of these advisory boards. You can get a bunch of farmers and real estate men, but you do not get a man who is connected with fishing,—

Mr. CRUICKSHANK: Hear, hear.

Mr. PEARKES: —unless you go to one of the big packing companies; and then you get one of the men, one of the officers perhaps connected with some of the big packing companies. Why do you not go to see the secretary of the fishermen's cooperative or something like that? There you would get the small fisherman, the small independent fisherman who wants a little bit of land and who owns a boat and works a boat in partnership with somebody else. Those are the men to get. Those are the places where the veterans can go into commercial fishing with the assistance which could be given to them under this Veterans Land Act. I am afraid that you are looking at it too much from the point of view of the big commercial fisherman, the type of man who goes out into the deep sea and fishes in the ocean rather than that of the small fisherman who is fishing in waters such as the Gulf of Georgia between Vancouver Island and the mainland. I would strongly urge that those advantages be permitted to the fishermen. You say now that this advance is made for the purchase of equipment. What sort of equipment? Under this act you can purchase fishing equipment. You can purchase dairy equipment. You can purchase equipment for wheat farming. Are you going to specify that only certain types of equipment can be bought with this loan?

The CHAIRMAN: What I had in mind was that this is based upon a lease of land, and that the amount of equipment that can be bought depends upon 40 per cent of the value of the land. The average fisherman, under this section, would not benefit very much because the land that he would have would not enable him to make any great purchase on the basis of 40 per cent of the value of his rented land.

Mr. PEARKES: Why not?

The CHAIRMAN: I am told that the value of the land that fishermen usually have, that they would be renting, would not run up to any very large sum.

Mr. PEARKES: I disagree with that entirely, because the land which is being rented on Vancouver Island is quite valuable. I will admit that prices have gone up high.

The CHAIRMAN: If they did, I suppose it might actually help people, the same as it does under Section 9. I do not think there is any attempt to exclude them if they can come under it, so far as I know. What I was referring to was this. I do not want anybody to get the idea that I am consorting with wealthy fish people or anything like that. I do not know any of them. The people I have been talking to are members of parliament representing the different districts where fishermen live.

Mr. SINCLAIR: Vancouver North, for example?

Mr. CRUICKSHANK: Which ridings?

The CHAIRMAN: I would hate to name the people that have given me their impressions because—

Mr. CRUICKSHANK: I do not blame you for that. They did not know anything about it.

The CHAIRMAN: But I do say this. It is a matter that might come before this committee, it is something we can study and a matter that something

might be done about. It is something that, I am frank to say, was not met by people representing fishing districts, with the enthusiasm that I rather expected.

Mr. CRUICKSHANK: What districts?

Mr. PEARKES: You have not spoken to me.

Mr. CRUICKSHANK: We represent the districts where the fish are.

The CHAIRMAN: Well, there were some that I spoke to that were very favourable towards it and others that thought it would be very dangerous.

Mr. SINCLAIR: Who were those men?

The CHAIRMAN: Of course, it is ridiculous to ask me that question. I would not give the names.

Mr. CRUICKSHANK: We represent 51 per cent of the fish caught in Canada.

Mr. HERRIDGE: The suckers.

Mr. CRUICKSHANK: We are being made suckers of, I guess.

The CHAIRMAN: The answer I would give to you is that if I take advice on some of these things from members of parliament, and it is just a confidential opinion, I am not going to disclose it to anybody. But I do say this, that it has been a matter that has been considered and if the people representing the fishing districts—

Mr. SINCLAIR: Names, please?

The CHAIRMAN: —want to make representations on it, they could have it brought before this committee; and as far as that goes, they could have people called and go into the thing thoroughly.

Mr. PEARKES: I am making representations now. I represent a fishing district. I am not afraid to say things which are going to be published. I do not mind your quoting what I say about this, because I know what I am talking about. I do not know who these other members of parliament are who are representing fishing districts who are afraid to have their names published. Why are they not here?

Mr. SINCLAIR: I think we must have an understanding here and now before we agree to this legislation being put through by order in council. This news will go out to the fishing ridings of British Columbia—New Westminster, Fraser Valley, Vancouver North and Skeena. People are going to write down and say, "It is reported you are doing something in relation to the \$1,200 for gear. We can get up to \$3,000 for gear now." The real trouble with this Veterans Land Act, so far as the fishing industry in British Columbia is concerned, is that the people who drew that up did not know anything about the fishing industry in British Columbia, because there are very few fishermen in British Columbia who can farm. The fishing villages for the most part are on rocks on the side of mountains, and it would have been far better to make it \$4,800 for gear and \$1,200 for the house. But if this order in council is now carried and published in the papers, then we are going to be flooded again with requests from young men out of the navy, the army and the air force—the navy especially in British Columbia—who say, "How can we get this loan of \$3,000 for gear?"

I want to dissociate myself from what was said to the effect that commercial fishing perhaps should be associated with small business and the tourist industry. Fishing is exactly the same sort of occupation as farming. It is an occupation of great hazard, hazard in the climate. There are men who are harvesting regular catches which are sold. They face exactly the same problems as the farmer and they should certainly be covered under these regulations. I think the western members have not been consulted, although one of the western members is a fish packer. He is not here. He should have been consulted.

But the western members certainly should have a clear understanding whether this \$3,000 loan can be applied to fishermen's gear before we agree to this order in council being passed.

Mr. ARCHIBALD: Mr. Chairman, I should like to say a few words to associate myself with Mr. Sinclair in his views and add a few of my own. Fishing is much like farming; it is seasonal and deals with a crop. But the point is this. It is exactly the same as farming in this respect, that it is demanding larger units and when the loans are given out to small individuals just on an individual basis, they cannot operate a large enough unit to make it a paying concern. We notice that in the disposal of War Assets goods the larger boats are all going to the larger fish packing concerns, which has got down to about two outfits. Why not give a chance to cooperatives, whose members are independent and own their own boats? If 3, 4 or 5 men could own a large navy boat, they could go out and make it a paying concern just like a modern farm. But as I understand it, under this Act, that is not allowed on a partnership basis. I think that should be changed to include them.

Mr. BENTLEY: I should like to say a word just here. A lot of us do not know anything about fishing, but we are on this committee. I cannot accept your statement, Mr. Chairman, that the views you got are good here. I am going to accept and be guided by the views of these men who sit on this committee now, and speak for the fishermen as Mr. Pearkes has done and other members. I cannot be guided by these other men's stories.

Mr. ROSS: I have been very much impressed by the people who represent the fishing population; but, based on the fundamentals of this thing, they have not shown me how they would qualify, as yet. I do not know how you are going to operate. This is distinctly based on property. You must have a lease on something which is considered in this Dominion of Canada as a sound equity, something that you can realize on. I do not know anything about fishing, but it is real estate that is the background of this Act right now. The fishermen would not have been brought into this Act originally, as I understand it, in 1942, other than it was there based on real estate and property. As far as I have been able to follow this through, my sympathies are with them. If they can show me a sound basis on which you can extend this to fishermen and have just as much security for the nation as you have set forth on this land, all right. But it is all based on property, a percentage of real estate. We have gone into considerable detail as to how this is going to operate. If you can tell me how you are going to have the same equity for the tax payer on your outlay to the fisherman, I am all with you. But I think we have got to be strict and genuine about this matter.

Mr. WINTERS: Mr. Chairman, I think I should say a few words. There has been a lot said here about fishermen, and there has been one inference which I do not particularly like. It was that the people representing fishing constituencies other than from British Columbia were afraid to speak.

Mr. CRUICKSHANK: Who said that?

Mr. WINTERS: I gathered that.

An Hon. MEMBER: Do not pay any attention to that.

Mr. WINTERS: I was not one of those who was consulted about fishing, so I do not fall into that class. But last year when this came up I asked the question as to how a fisherman was to qualify on the basis of real estate, just as Mr. Ross has pointed out now. Down our way, the coast is rocky; and to ask a man to take half an acre of land, even if he can qualify for the \$1,200, is going too far. It does not make good sense. But I was assured at that time that consideration would be given to making this allotment available to the fishermen without the real estate background. I have been assured since that time that



steps will be taken to give the fishermen the same grant as the farmers are getting now. On that basis I have not been up before insisting that they be given the same consideration now, at the same time as the farmers. I am perfectly happy about having this treated as a Veterans Land Act, since I do not think a fisherman should be asked to qualify on the basis of land; if we are given the assurance that they will qualify on some other basis, I am satisfied to leave it at that. But I do not want anybody to get the impression that we are not standing up for Nova Scotia fishermen the same as the British Columbia members stand up for theirs.

The CHAIRMAN: Mr. Winters is one, I think, that I discussed the matter with, and the things that we had in mind; and he was one who thought that if we could do something to help the fisherman without being tied up to land, we should do it, and I got enthusiastic support from him on it, as well as from others interested in fishing. However, others were very doubtful about it. That is all there is to it. People are entitled to their own opinions in a free parliament. The difference between the approach to the helping of the fisherman and the approach to the helping of the farmer was this, that when this proposal in regard to farming was brought in there was not a single member but said, "It is a good thing; go ahead as fast as you can"; whereas in regard to the fishermen, there seemed to be doubt as to the extent to which it should be tied in to the Veterans Land Act. They figured they should get separate consideration. Some people thought that. As I say, it is getting that separate consideration. The committee is master of its own proceedings. I suggest that this matter of farming is something in which we are apparently all in agreement. We all think it is a good thing. I suggest that it is not reasonable to say that we will hold it up until we get the other matter threshed out, because the question of farming is urgent. They will be on the land in the west inside of two or three weeks.

Mr. CRUICKSHANK: If they can get an appraisal.

The CHAIRMAN: I suggest that we should endorse this, and then if you wish to consider the question of fishing any time before Easter, or after Easter, all right. I think the question of helping these fishermen out is important enough for that. We have spent hours on it, as a matter of fact, discussing it, and trying to work out some sort of assistance. It has not been ignored. The very facts that were mentioned by the gentlemen from British Columbia were all considered. The fact of the impossibility of any fishermen getting a piece of land on which they could qualify for assistance was considered, and the suggestion was that they should get some help the same as we give farmers.

Mr. MUTCH: Would you permit one question, Mr. Chairman? Perhaps I did not follow this. Not being a fisherman and not liking fish, that may be understandable. But is it not a fact that under this proposed amendment a fisherman who has a property which is of considerable value—and Mr. Pearkes has said that in British Columbia many of the fishermen's properties are, I think he suggested at inflated values—can come under this? Would he, for instance, if he had a piece of property worth \$8,000, be eligible under the amendment to get \$3,000?

The CHAIRMAN: I think the idea was that any further step we take in regard to fishing should be a matter definitely dealing with the fishing industry and we should not try to bring it into the Veterans' Land Act.

Mr. ROSS: Was it not moved that the committee recommend the principle of this proposed amendment and ask the minister to make it effective as soon as possible?

Mr. BENIDICKSON: Mr. Chairman, I am in favour of the amendment and I would not do anything to impede progress at the moment, but like the fisher-

men I feel there are some matters as regards the Veterans' Land Act in other parts of the country that are not entirely satisfactory, and I want the assurance that we will be able to take these matters up at a later date.

Reference was made this morning by the chairman to the matter of the tourist business; and while he called it a business, it is a form of land settlement, in my opinion. I think it is a fine form, very similar to a small holding, but at the present time nobody can locate the land for the purpose of catering to tourists and get assistance under the Veterans' Land Act. My feeling is that there is nothing in Canada to-day that is as secure from the point of view of getting a living on a land holding and establishing a permanent residence as catering to the tourists. I have already spoken to you, Mr. Chairman, and I have spoken to Mr. Murchison, indicating my desire that this situation shall be discussed at the committee sessions, and I want to be assured that when we facilitate the passing of this particular amendment for the farmers or for the fishermen we are going to have an opportunity to discuss the further matter in relation to land holdings for tourist places.

The CHAIRMAN: You remember, gentlemen, one of our recommendations last year was with regard to consideration for some form of assistance to those who wish to start up in small businesses, and that matter has been under constant study. I assure you that we have seen to it that it has been studied. And it has been discussed at great length—I refer to the points mentioned by Mr. Benidickson and the points mentioned about the fishing industry—ever since last year. I hope it is the feeling of the steering committee that we should not take up any of these matters because we wish to clear matters up quickly before we go on to the Pension Act. Of course, that is a matter for the committee to decide from time to time, but the proposals will be brought before this committee just as quickly as we can possibly deal with them. Actually, there has been no decision arrived at with regard to assisting commercial fishing—no final decision—or in regard to other small businesses or the tourist industry—whatever you may call it—but these matters are certainly being studied.

Mr. BENIDICKSON: The point I am thinking about now is that we are dealing with and discussing the Veterans' Land Act. You say you are considering the fishing industry and the tourist industry along the line of a loan to business. The point I want to make is that I do not like to see it considered as a loan to business. If it is a loan it is going to be paid back 100 per cent, and the Veterans' Land Act provision is for a very generous contribution for land settlement. The point I want to make is that I want to discuss land settlement for the purpose of catering to the tourists under the Veterans' Land Act, and not under loans for business; because I feel that the tourist matter is comparable to settlement of any individual on a small holding where a man has a small garden and sells his produce. I cannot think of any more profitable business or a business which offers greater possibility of success for a young man than to take a piece of property which has advantages for tourist trade and to settle upon it. He is going to be a permanent dweller upon the land and he has that established income as the result of catering to the tourist. I want to be sure that we are going to have an opportunity to discuss that matter.

Mr. ROSS: I agree with that. I was under the impression that you could do what is suggested under this small holding part. Is not that permissible?

The CHAIRMAN: Not for the tourist business.

Mr. QELCH: It seems to me that there has been a lot of talk about equity. We have heard it said that under this measure the soldier will have equity in the land. He will not have it at all. He will have equity to the extent that he pays 20 per cent down and as far as the profit is concerned. As far as risk is concerned, there would be less risk in so far as fishing is concerned than there is



in farming, because the success of a farmer to pay the loan back will depend upon the continuance of the lease; the success of the fisherman will not depend upon that because he will have the right to fish indefinitely. And therefore, in dealing with the matter of equity you should consider whether the equity in the land is greater than the equity in the sea, and if it is a good fishing ground I should think the equity in the sea would be as great as the equity in the land. The settler under this Act will have no equity in the land, merely the 20 per cent that he pays down and the type of land he is farming which will give him the ability to pay his loan. If the fishing ground is a good one he will have as much equity as the settler has on the land.

Mr. PEARKES: The fact remains that at the present time the commercial fishermen come under the benefits of the Veterans' Land Act and that when receiving those benefits they have to be tied in to a piece of land upon which they have their homes and they have to be told now that they have to own that bit of land where their family might have lived, and they have gone out into the field in order to catch their crop. Now, we bring in special arrangements whereby a man may lease a bit of land and put his loan into equipment, if he is a fisherman, or lease his bit of land, and he puts this \$3,000 loan into fishing equipment. If he is a farmer he leases the land, and if he is a prairie farmer he puts the \$3,000 into a binder or if he is a dairy farmer he will put it into a separator or an electrical milking machine. Now, if we are going to pass this we have either got to include in this amendment that it does not apply to the commercial fisherman or that it must apply, unless you define certain special types of equipment which a man may or may not use that loan for. I believe you have got to do that. You have got to say whether this is or is not available to fishermen who meet the other conditions.

Mr. QUELCH: Is it definitely intended to say in the amendment that the loan must not exceed 40 per cent?

The CHAIRMAN: Yes.

Mr. QUELCH: Could that not be left at the discretion of the department as to whether the fishing ground is a good fishing ground?

The WITNESS: The amendment that is proposed this morning—I have it here in rough form—will require some refinement by the legal officers—but it certainly does not provide for advances for \$3,000 worth of fishing equipment, similar to the arrangement made on behalf of the farmer to operate rented land or purchased land. The Act remains as it is under section 9 with the over-all ceiling of \$6,000; we may advance up to \$1,200 to the veteran for commercial fishing equipment. That remains in the Act. But this amendment does not propose to include the commercial fishermen within the \$3,000 loan or advance for the purpose of acquiring commercial fishing equipment. That provision is not incorporated in the amendment that was introduced here this morning.

The CHAIRMAN: Mr. Pearkes mentioned the case of the B.C. fisherman. Now, if we draw this loosely enough to the point of providing that he could get \$3,000 for equipment, there are people in the Gaspé and in the Maritimes who could not possibly qualify for any help, because they have not got the land. The feeling is that whatever we do for fishermen should be in an Act designed definitely to apply to the fishing industry from one end of the country to the other, and if we try to tack it onto a land Act we are probably going to create unfairnesses and so on. That is one point which I bring to your attention as one of the arguments why we should not bring anything further into this Veterans' Land Act. I will point this out to you, that if we ask that this order in council be passed it will be embodied in a bill which will be circulated, and when that bill is brought before the committee, at the time you want it brought before you, then you can bring up this other question if you wish to do so;



but I think the expression of opinion by various members of the committee will be brought to the attention of the people who are studying this matter. I consider that the expressions of opinion have been very helpful this morning. They have been very useful expressions of opinions and they will be brought to the attention of those people who are studying this matter. Now, might we adopt this motion that has been moved?

MR. BENIDICKSON: Mr. Ross has stated that he thought that these people could seek assistance under the Veterans' Land Act as small holdings, and I thought so for a long time, and I am sorry now that it is not so. I wonder if Mr. Murchison could tell us when we are discussing the Veterans' Land Act on what principles in the administration the applications of this kind are rejected, where the party is settled on the small holding and goes into the business of catering to tourists?

THE WITNESS: As I view the tourist industry, it divides roughly into two main tracks: the first consists of the large commercially well established, efficiently operated, tourist lodge which represents an investment maybe running up to \$50,000 or \$100,000. That is a type of tourist accommodation which has been going up in this country which drives many of the small roadside tourist cabin establishments pretty well out of business. That is a trend which, I think, is quite noticeable in the development of the tourist business of the country. There is no doubt about it. Tourists nowadays are looking for the maximum in comfort. The other part of the tourist industry consists of the small operator with two or three wayside cabins, probably a couple of gas tanks and probably a hotdog bar, a milk bar or something like that. It is, in effect, a business. Clearly, the first type of enterprise is well beyond the scope of a \$6,000 estate; the second one surrounds us with some difficulties, because we have been approached many times to purchase small wayside properties, equipped at present with three or four cabins and a small garage or service station. Now, we must take the view as administrators, Mr. Chairman, that that is in effect buying a business. If we were to buy these things where would we stop? The next thing would be a grocery store. We take the ground that this is invading the field of the purchase of a business, which was not contemplated. There may be cases where a veteran could acquire a holding similar to the most attractive tourist operators of the country, where for a period of two or three months during the tourist season he could probably do quite well in catering to the tourist industry; but we have found on examination in quite a few cases that these cases where opportunities of that kind exist present the minimum of opportunities for a man to make a living during the remainder of the year. In other words, they look to us to be unduly hazardous. In quite a few cases there are no educational facilities available for the veteran's family if he is located in a small way in the tourist industry. These are the reasons generally, Mr. Chairman, why we have not been thus far able to do much on behalf of the veteran who wishes to become established in the way of wanting to participate in the tourist industry, so far as this Act is concerned.

There is another aspect of the matter which has to be taken into account, and that is the licensing of tourist accommodation in the province concerned. These places now are under pretty close observation. They must be maintained and operated up to standards fixed by the provincial authorities. There must be certain lines of conduct followed in their operation. By and large, we feel that we should not engage in Veterans Land Act operations in advancing loans which are based purely on a business, because two or three wayside tourist cabins are not going to supply a man with a living the year round. He must have something else. If we are going to finance the purchase of a place that has a garage on it or a filling station, as I said a few moments ago,

then we simply launch ourselves into the practice of purchasing many different kinds of businesses throughout the country, and I do not think that was the intention of this Act.

Mr. BENIDICKSON: I have heard the director's views and I am not going to get into an argument with him this morning on those views, but I am frequently called upon to explain why the department does not do this and that, and I can do so now. With all due respect to Mr. Murchison I believe he has not seen a great deal of our country, he has not been off the roads in northern Ontario, although I know he has paid us some visits; but I think he will find a tremendous change in the class of tourists up there. I wanted to know what we have to combat in the thinking of the department to try to get a more liberal attitude toward the tourist trade.

Mr. PEARKES: I understand that this definitely does not apply to fishermen?

The CHAIRMAN: No.

Mr. PEARKES: Will that be so stated in the amendment? Otherwise, we will be asked all sorts of questions.

The CHAIRMAN: Yes, it will.

Mr. PEARKES: I am afraid I shall have to oppose the amendment on that ground.

The CHAIRMAN: All those in favour of the motion please signify.

Motion agreed to.

The CHAIRMAN: Now, there is one other point: Would this committee feel in their sense of discharging their responsibility to the veterans whether they would like to make any suggestion on the point of leaving it open for a man to take university training and at the conclusion of his training to apply for a small holding under the Veterans Land Act? The question will come up, because if we do not do something about it many veterans will come out of the army and take their re-establishment credit. The average re-establishment credit is \$413. They would hear about somebody who was going through for medicine, who was going to take a course that will maybe cost the country \$6,000 and at the end of that time will be able to apply for these additional benefits. Personally, I do not think it is wise to make such a discrimination between the man who is able to take a university course and the man who has to earn his living in the ordinary way as most people have. The man who is going on the farm wants to take a short vocational course.

Mr. WRIGHT: Where would you draw the line? In most of the universities there is a diploma course in agriculture. It takes two winters, about five months each winter. It is a practical course as far as agriculture is concerned, one which we think practically every farmer should have. Would you call that a university course as opposed to the degree course, a four-year course? We have to draw the line somewhere.

The CHAIRMAN: I do not think there is any intention of preventing a man from getting some training, such as training for farming; but the point is that we should not allow this thing to get too much out of proportion so that you would be giving so much more to one class than you would be giving to the majority. I felt that if this committee would act on this matter it would probably be better than to have some department of government act on its own initiative to do something about it.

Mr. CRUICKSHANK: Can a man take a course at Guelph and get his B.S.A.?

The CHAIRMAN: Yes.

Mr. CRUICKSHANK: And then take up a farm?

Mr. ROSS: A man cannot go through university today and spend \$6,000 or \$7,000 or \$8,000 and then qualify under this Act, can he?

The CHAIRMAN: Yes.

Mr. Mutch: The extreme case would be that of a man who had his pre-medical, got married, and went into the university. If he succeeds he can have a five year medical course, and he may, at the discretion of the minister, have two years' post-graduate work under the same terms if he qualifies, and he may get in excess of \$10,700 expended on his education whereas, as a result of trying to establish himself on a small holding he could only get \$2,320. The maximum cost is \$10,720 for a married man with two children who takes all his education at the expense of the state. Against that there is the chap who for some reason was not able to qualify to enter university, and the average, as the chairman has said, of gratuity for that type of man is \$423. It is no part of my intention to take anything away from anybody, but I think the committee ought to realize that the extremes of benefits are there. We represent city constituencies. I am running into this thing. We have preferred classes of veterans. There is some resistance on the part of veterans themselves more particularly to the great discrimination between a man who is a preferred class of veteran, who is a skilled farmer, and a man who is entitled to continue his education; and the question we will have to decide is whether or not we are going to see one fellow get all he can, and try to build the other fellow up, or take it away from the fellow who has a lot and try to even things up. I do think we are headed as a committee for some difficulty if we concur in the idea of special classes of veterans.

Mr. BROOKS: Was not the original intention that a man who took the university course would not have these other benefits?

The CHAIRMAN: Yes, he has got to give up his reestablishment credit.

Mr. BROOKS: I think the thing is out of proportion. I do not believe he should receive the benefit. I do not think it is fair to the other man.

Mr. ROSS: Most unfair.

Mr. WRIGHT: I think it is the consensus of opinion that the man who is getting the full four-year university course should not be entitled to all the benefits under the Veterans Land Act, but I do think the men who are coming under the Veterans Land Act should be given a certain amount of technical training for farming. I do not know whether you want to draw the line, as I said, with the two-year diploma course and say that with anything over that he cannot have the benefits. But I think there should be a line drawn.

Mr. CRUICKSHANK: If a man gets full university training, he might become a Rhodes scholar.

The CHAIRMAN: There is no doubt that what Mr. Brooks says is true. We have the man who gets a university course. He has got to give up his re-establishment credit. So if he only intends to go out, after he gets his university course, and practise, he has given up his re-establishment credit. We did not actually say in the Act that he should not have the right to come under the Veterans' Land Act, but the idea was that he could choose between them.

Mr. Mutch: He has sold \$423 average credit for \$6,000.

The CHAIRMAN: Without having anyone take the onus of making a motion, may I take it that it is the consensus of opinion of this committee that a person should not have the right to draw both of these?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Is that agreed?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Then that is carried.



Mr. HARRIS: Has not the test been that if a man takes re-establishment credit he cannot get the benefit of this Act?

The CHAIRMAN: The idea was that he could not have re-establishment credit and the benefits under this Act.

Mr. HARRIS: How could a man take a university course without surrendering his rehabilitation credit?

Mr. WOODS: He does lose his credit.

Mr. HARRIS: Then how does he get the benefit of this Act?

Mr. WOODS: He is eligible to come under the Veterans' Land Act.

Mr. ROSS: I move we adjourn.

Mr. HARRIS: I thought that was the answer. I agree with Mr. Wright's contention that every agricultural person going to school should not be barred from getting the benefits of this Act.

The CHAIRMAN: Then I may take it that it is carried unanimously that a person should not qualify for both?

Mr. CRUICKSHANK: He can go to the agricultural course?

The CHAIRMAN: Well, just let us deal with that point. Just a minute, gentlemen; we will just take a second. There is no doubt that he is permitted to take a short course to train him in agriculture.

Mr. QUELCH: He is compelled to, sometimes.

The CHAIRMAN: But whether you let him go to the university, it is a different thing.

Mr. CRUICKSHANK: What do you call a short course?

The CHAIRMAN: What do they permit now, Mr. Murchison?

Mr. ARCHIBALD: I suggest that we leave this open for discussion next day. It is 1 o'clock now.

Mr. CROLL: Yes. Let us think it over.

The CHAIRMAN: If we are going to deal with the things we have got to deal with, we have got to make some progress. We have got to make decisions. If you just glance over the list of work we have to do, it is terrific. I should like to clean up as much as we can, the things that we set ourselves to do each day. We set ourselves to try to deal with the firefighters and supervisors on Thursday. That is a full day's work. There is no question about that. Can we not just understand, on this question that we are unanimous that a person should not get both?

Some Hon. MEMBERS: Agreed.

Mr. CRUICKSHANK: No, not necessarily, until we know, for instance, what they mean by an agricultural course. My information is that a man has to take this in many cases to qualify for the farm.

Mr. MOORE: I think the understanding should be that if a veteran graduates from a university in an agricultural course, he should be entitled to the benefits; that is, if his course is in agriculture.

Mr. ROSS: He might not be a good farmer after he took it.

The CHAIRMAN: Your point is this: if a man took a course in agriculture, the course in agriculture might be four years in length. If he was a married veteran, it might cost \$5,000. What in the world is the man going to think who goes back to work with the average re-establishment credit of \$420, who comes back and gets his \$413 or \$423, and then he looks across the street at a man who takes a university course in agriculture for which the state pays between \$5,000 and \$6,000, and then the next day he hears that he has settled on an agricultural proposition financed by the state where he gets another grant of \$2,320?

Mr. CRUICKSHANK: And the department forces them to do it.

The CHAIRMAN: No, they do not.

Mr. CRUICKSHANK: We have farmers coming to the Fraser Valley from Saskatchewan—where, I presume, you know a little about farming; they have been farming all their lives in Saskatchewan—yet the department says they have to take a course to be a farmer in British Columbia. That is our case.

Mr. HARRIS: Mr. Chairman, I do not know whether the gentlemen you have described feel any worse about it than a lot of people who cannot get the benefits of the Veterans Land Act feel about those who do. I think that part of the policy of the Veterans Land Act certainly is to promote agriculture as well as to settle veterans under conditions under which they are likely to succeed; and while I agree entirely that we do not want one person getting \$10,000 and somebody else getting \$400, I would not want you to take it that I agree, without having heard a great deal more of the evidence to what is going to be carried in an order in council, I presume, as the result of this; because I do want certain persons taking agricultural courses to get the benefit of the Veterans Land Act and I want a thorough discussion of those who are getting the benefits, before you, as chairman, take it that we have agreed to what we have heard this morning.

The CHAIRMAN: Well, I think we should act on this at once.

Mr. HARRIS: I quite agree.

The CHAIRMAN: And the sooner the better. Is it your wish to continue this on Thursday?

Mr. CRUICKSHANK: Yes.

Mr. HARRIS: Whatever you say.

Mr. WRIGHT: In order to bring it to a head, I would make a motion that anyone taking any more than a diploma course in agriculture should not get the benefits of the Veterans Land Act. There is a degree course and a diploma course. The diploma course is a short course consisting of two five-months periods in the winter time in which practical agriculture is taught. It is practical work. The degree course is an entirely different course. It is a professional course, dealing with theoretical agriculture, and it is a five-year course in some cases. I would move that anyone taking anything more than a diploma course should be debarred from the benefits of the Act, but that all those taking short courses, diploma courses or anything less, should have the benefits of the Act.

Mr. CRUICKSHANK: The ones that take college courses always get jobs with the government and never go farming anyhow.

The CHAIRMAN: There is a motion, and if that happens to meet with the approval of the committee, that would be an expression of opinion which could be brought to the attention of the government. Is that satisfactory to the meeting?

Some Hon. MEMBERS: Carried.

Motion agreed to.

The Committee adjourned at 1 p.m. to meet again on Thursday, April 4, 1946, at 11 o'clock a.m.





*Canada, Veterans Affairs, Special Committee on, 1946*  
SESSION 1946

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

THURSDAY, APRIL 4, 1946

## WITNESSES:

- Mr. J. L. Melville, Chairman, Canadian Pension Commission;  
Mr. W. S. Woods, Deputy Minister, and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs;  
Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946



## MINUTES OF PROCEEDINGS

THURSDAY, April 4, 1946.

The Special Committee on Veterans Affairs met at 11:00 o'clock a.m., the Chariman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Benidickson, Bentley, Blanchette, Brooks, Cleaver, Cockeram, Cruickshank, Drope, Emmerson, Fulton, Gillis, Green, Harkness, Herridge, Jutras, Lennard, MacNaught, Merritt, Moore, Power, Quelch, Sinclair (*Vancouver N.*), Skey, Tremblay, Tucker, Viau, Winters.

*In attendance:* Mr. J. L. Melville, Chairman. Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister of Veterans Affairs and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs; Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act.

The Chairman submitted a draft of a proposed bill intituled: *An Act respecting benefits to members of the Women's Royal Naval Services and the South African Military Nursing Service.*

Mr. Woods explained the purpose of the draft bill and was questioned.

The Committee proceeded to consideration of the draft bill clause by clause.

Clauses 1 and 2 were without amendment.

Mr. Melville was called and questioned.

Clauses 3, 4 and 5 were adopted without amendment.

On motion of Mr. Sinclair, the draft bill was adopted without amendment and the Chairman ordered to report to the House accordingly.

The Chairman submitted a draft of a proposed bill to amend the Soldier Settlement Act.

Mr. Murchison explained the purpose of the draft bill.

The Committee proceeded to consideration of the draft bill clause by clause.

On motion of Mr. Green, it was resolved that paragraph (f) of Clause 1 be amended by substituting the word *earlier* for the word *later* in line 7 thereof.

Clause 1, as amended, was adopted.

On motion of Mr. Bentley, the draft bill to amend the Soldier Settlement Act, as amended, was adopted and the Chairman ordered to report to the House accordingly.

In reply to a question by Mr. Herridge, Mr. Murchison made a statement on the negotiations between the Dominion government and the government of the province of British Columbia respecting the settlement of veterans on provincial lands, and was questioned.



Mr. Herridge moved:—That this Committee urge the immediate necessity for the signing of an agreement between the government of British Columbia and the Dominion authorities, similar to that signed with the other provinces, in order to facilitate the settlement of veterans on provincial lands in British Columbia; and that the Committee further recommend that the requirements of the province that a veteran must have enlisted in British Columbia in order to qualify for an allotment, be cancelled at once.

By leave of the Committee, after discussion and in view of the Chairman's remarks, Mr. Herridge withdrew his motion.

It was agreed that a draft bill respecting Fire Fighters and Supervisors in the Auxiliary Services be considered at the next meeting.

At 1:00 o'clock p.m., the Committee adjourned until Friday, April 5, at 11:00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*

## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 4, 1946.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first order of business today should have been the fire fighters and supervisors. Before the proposed bill was actually laid before the committee, we have been endeavouring by several conferences with the government to find out how far they are ready to go in the matter, in the light of the representations made to the committee and in the light of remarks made on the committee from time to time about it. I thought it might save time if we had that knowledge before we actually took it up, but owing to various labour conferences and so on, it was impossible to have a meeting of the Cabinet yesterday at which it was expected to deal with it. However I have been promised, that the decision will be ready so that we can deal with it to-morrow. Therefore I thought that the best thing to do would be to take the next order of business as recommended by the steering committee, and revert to fire fighters and supervisors to-morrow, so that we should not lose any time at all.

In regard to the W.R.N.S., those are the girls who went into the Women's Royal Naval Services; who were Canadian girls and who have returned to Canada; they are not covered by any Act so far because of the fact that the W.R.N.S. are not regarded as members of His Majesty's Forces. It was found that they were not covered by any existing legislation and were in somewhat the same position as the Canadians who went into the South African Military Nursing Service. Therefore it was thought that, as we have embodied rights to the Canadians who went into the South African Military Nursing Service, and as it was seen that the position of the W.R.N.S. was analogous, the best thing to do would be to embody the two in the one bill, and we have it here in mimeographed form this morning. I suggest to the committee that we take it up. If we could deal with it this morning, and if it is satisfactory to the committee, we could recommend that the government bring in a bill accordingly and these two particular items then would be pretty well disposed of. The understanding would be that if we get through that this morning, we would take up the bill authorizing reduction in the rate of interest in the Soldier Settlement Act; and then after that, if we still have time this morning, we could actually commence consideration of the pension bill, which is all ready.

If that is satisfactory to the committee, we might commence consideration of this proposed bill in regard to the Women's Royal Naval Services and the South African Military Nursing Service.

Mr. SINCLAIR: Mr. Chairman, is there any estimate of how many girls actually are affected by this?

The CHAIRMAN: Would you answer that, Mr. Woods?

Mr. W. S. WOODS (Deputy Minister of Veterans Affairs): In the South African Nursing Service, there are approximately 300. In the British W.R.N.S., it is impossible to say. I should make it clear that this proposed bill is merely to confirm, so far as the South African Military Nursing Services are concerned, what has already been done, with the concurrence of this committee, by order in council. There are about 300 of those girls. As to the number of W.R.N.S.

personnel, we have heard various estimates; perhaps 50 to 60. But who can tell how many Canadian girls were over in Britain at the time war broke out and decided to join the British navy rather than come back?

Mr. LENNARD: I do not think that matters.

Mr. FULTON: Before we start on this, Mr. Chairman, might I say this? I have not been able to find anywhere the agenda before the steering committee, and I am quite concerned as to when the Pension Act is going to come before the committee. If this is going to take a long time, I should like to say this. The Pension Act is perhaps the most important legislation we have to consider, and I would appreciate if you can give us any information as to when the committee will have that before them.

The CHAIRMAN: The steering committee's report was adopted just before we heard representations from the Non-pensioned Widows Association, which was on Thursday last, I believe. You will find it at the beginning of the proceedings in the afternoon. Their decision was that we take first the fire fighters and supervisors and, second, this bill we are considering now so far as the W.R.N.S. were concerned; then after that, the Soldier Settlement Act and then the Pension Act. It was deemed by the steering committee that those items should not take very long and would not delay very long consideration of the Pension Act. It was the hope of the steering committee, as I remember it, that we would recommend the bill reducing the rate of interest, without opening up the Soldier Settlement Act, before we consider the Pension Act; and if that hope of the steering committee is carried out by this committee, that bill to amend the Soldier Settlement Act should not take more than ten minutes. So that if we clear the slate of the fire fighters and supervisors, the South African Nursing Service, the W.R.N.S. and the Soldier Settlement Act amending bill, we could recommend them to the House and get them into the House; then we could start on the pension bill, which will probably take some time. I think I am stating the unanimous thought of the steering committee.

Mr. FULTON: Thank you.

Mr. GILLIS: May I ask a question, Mr. Chairman? Is there any consideration being given to the V.A.D. nursing service?

The CHAIRMAN: As you will see, it was dealt with very fully in the inter-departmental committee's report. It has been studied by the department with a view to seeing if it was possible to recommend something, and without question it is still under study. You will notice the difficulty about it is that, in the first place, the V.A.D.'s so-called, never got overseas; none of them. Then there were some Red Cross personnel and members of the St. John's Order who did get overseas. But the trouble is that they did such varied work. Some worked in civilian hospitals. Some drove ambulances. Their work was of such a varied nature that it has been very baffling to try to come to any conclusion as to what should be recommended. That is, I think, the actual picture. Where they went over to England and engaged in ordinary civilian work, there is a feeling that we should not recommend anything about them. On the other hand, a girl that drove an ambulance perhaps even in France or over the channel, was doing very dangerous work. The trouble is that there seems to be no uniform bit of work that they did. It was the thought of the steering committee that, with regard to these other services outside of the fire fighters and supervisors, consideration of their claims should be deferred until we had dealt with the Pension Act at least.

Mr. SINCLAIR: Mr. Chairman, your argument there I do not think holds water as far as these girls are concerned, that some of those who went overseas in the St. John's Ambulance Service did civilian work and some did military work. The same is true of our armed services. After all, the girls who went



overseas just to do civilian work were in no danger at all. The same is true of our armed services. The men in commands and headquarters, doing clerical work, cannot be compared to the actual combat troops, but they come under the civilian preference and I am inclined to agree with that. Certainly these St. John's Ambulance girls did work in hospitals; they worked for £1-2-6 a week. That was their total wages. They did the most menial of work, although they were girls from good families. They drove ambulances. They are as much entitled to these benefits as the fire fighters, because there was a period of two years when the fire fighters did nothing. The fire fighters went over after the blitz. It is true that when the buzz bombs came they were kept busy. But these girls are, I think, entitled to just as much consideration and just as immediate consideration as are the fire fighters.

Mr. WOODS: May I suggest to the committee that the bill now before you deals with girls who were, to all intents and purposes, except for a technicality, members of the forces, and that the discussion of the V.A.D. girls and the St. John's Ambulance girls would be more proper when the bill comes before you dealing with the fire fighters and auxiliary services.

Mr. SINCLAIR: I thought that was what you were talking about.

The CHAIRMAN: No.

Mr. WOODS: These girls, except for a technicality, were members of the forces; I have reference to both the South African nurses and the W.R.N.S.

Mr. GILLIS: There is one thing I cannot understand, and I think we are prolonging our work by taking these auxiliary services piece-meal and introducing half a dozen bills to cover one subject. I cannot understand why the whole matter of the auxiliary services could not be covered in one bill, brought before this committee and finished.

Mr. CRUICKSHANK: These are not auxiliary services.

Mr. GILLIS: What else are they?

Mr. CRUICKSHANK: They are the same as the girls in the R.A.F.

Mr. GILLIS: The V.A.D.'s I am talking about were enlisted. They made their contribution wherever the military authorities decided they could make the best contribution. They had the regular discharge from the services. To all intents and purposes they were enlisted personnel, and the only difference that I can see between the V.A.D.'s and the other military services is that, from the financial standpoint, the V.A.D.'s made the greatest sacrifice.

Mr. SINCLAIR: That is quite right.

Mr. GILLIS: I think, myself, that we are wasting a lot of time in discussing half a dozen different organizations which, in my opinion, should all come under the one heading in the one bill and all be treated equally.

Mr. QUELCH: Did the V.A.D.'s enlist for overseas service?

Mr. GILLIS: They enlisted for overseas service or wherever it was decided to send them.

The CHAIRMAN: But none of them went overseas.

Mr. GILLIS: Oh, yes; the St. John's Ambulance did.

The CHAIRMAN: Yes. But there are three different classes, as I understand it. There are the V.A.D.'s as such, who joined under a general order. We are informed that not one of them went overseas. That was a surprise to me. Then there were the people sent over by the Red Cross who served entirely as civilians, and then the people sent over by the St. John's Ambulance who also served as civilians. The thought that the department has been trying to follow is one that has been expressed over and over again, namely that some distinction should be drawn between those who wore the King's uniform and those who served as civilians. Any suggestion that you should wipe out that difference

should be examined, I think, with a great deal of care; because once you begin to say that anybody who crossed the water as a civilian is entitled to be treated the same as the man who served in the army, it seems to me you have adopted a very far-reaching principle.

Mr. QUELCH: Are the Red Cross workers coming under the fire fighters bill?

The CHAIRMAN: No. All that is included in the fire fighters bill are the fire fighters and supervisors; and that bill was before our committee last year but we put it off. The idea was, as you will remember, that the steering committee thought perhaps we could put it through with a very minimum of discussion.

Mr. QUELCH: Is there any measure at all covering the Red Cross workers that went overseas?

The CHAIRMAN: There has been no measure formulated, but it will be a matter for this committee to study and make a recommendation on.

Mr. GREEN: Why could not the auxiliary services men and the fire fighters be included in this present bill?

The CHAIRMAN: Because, so far as the fire fighters are concerned, Mr. Green, they definitely did not wear the King's uniform.

Mr. GREEN: Oh, but they were recruited by the government.

The CHAIRMAN: Yes, I know. But so were other civilian workers.

Mr. SINCLAIR: So were the St. John's Ambulance people.

The CHAIRMAN: So were many other people. Take, for example, these people that an order in council was passed about not long ago, who were dropped into Europe. They joined as civilians. I thought it was very clearly decided last year that this committee would deal definitely with people who wore the King's uniform in one way and keep that work separate from anything we did for civilians.

Mr. CRUICKSHANK: The next thing we know we will have the U.N.O. people wanting something.

Mr. GREEN: If that is carried out to the logical conclusion, the result will be that the fire fighters will be put in the same class as persons who did not enlist at all, but who were sent over by a civilian agency; and that is not right, surely.

The CHAIRMAN: The fire fighters, unfortunately for us in endeavouring to deal with it, are sort of half way between. They actually did not wear the King's uniform but they did serve roughly at military rates of pay. They were not under military discipline but they were under some discipline. They are sort of half way between. We figured that they should be dealt with separately, and that the people that are entirely civilians, without any claim whatever to be close to the armed services, are in another category altogether, even though they served at some risk to themselves, like the merchant marine.

Mr. GREEN: All the auxiliary service men were actually in uniform and worked with the troops.

The CHAIRMAN: That is the argument, I might say, that has been presented very strongly to the government, that the auxiliary service people did wear the King's uniform.

Mr. SINCLAIR: Oh, no.

The CHAIRMAN: Well, they served. They wore a uniform.

Mr. SINCLAIR: But they did not have the badges.

Mr. LENNARD: Mr. Chairman, in my opinion we are just wasting a lot of time. Let us get along with this bill that is before us.

The CHAIRMAN: Very well. Is it the will of the committee to proceed with this bill?

Mr. GREEN: I do not agree with Mr. Lennard. I think there is a principle here which we had better decide. It may be that several of these groups should be included in this bill. As it is there are, apparently, four classes. There are the ones included in this bill; then there are the auxiliary services, the fire fighters and then the fourth class made up of Red Cross workers and St. John's Ambulance Brigade workers and others. It would be much simpler if we could cut down the number of groups, and this is the time to do it, and not pass one bill and then have to pass three more different bills in each case, with three rights. That is only going to bring trouble later on and I think it is quite unfair.

Mr. SINCLAIR: I should like to support you for a change. This thing we are discussing right now definitely refers to people who, we all agree, were in the Kings' service, the W.R.N.S. and the South African Military Nurses. Let us get them out of the way. I cannot see why the St. John Ambulance people should not be included with the fire fighters. But I think none of us will doubt that these people now under consideration are part of our armed services.

An Hon. MEMBER: Correct.

The CHAIRMAN: May we then consider the first section? Is it your wish that I should read it or just pass it?

Some Hon. MEMBERS: Carried.

On Section 1:—

Short title      1. This Act may be cited as the Women's Royal Naval Services and the South African Military Nursing Service (Benefits) Act.

The CHAIRMAN: That is carried?

Some Hon. MEMBERS: Carried.

Section 1 agreed to.

On Section 2:—

Definitions

2. In this Act, unless the context otherwise requires,

"Member of W.R.N.S."

(a) "member" in relation to the Women's Royal Naval Services means a person who

- (i) enrolled in the Women's Royal Naval Service;
- (ii) enrolled in the Queen Alexandra's Royal Naval Nursing Service or the reserve therefor;
- (iii) enrolled as a medical or dental practitioner employed with the Medical Branch or Dental Branch of The Royal Navy with naval status for general service;

"Minister"

(b) "Minister" means the Minister of Veterans Affairs.

Mr. GREEN: Were there any of these young women in the Air Force or the Army?

The CHAIRMAN: They were members of the armed forces by virtue of the terms of service in the United Kingdom. The reason why we have to bring this up is that by a peculiar feature of the British military law, members of their W.A.C. were members of their armed services and members of the Air Force were members of the armed services, but we found that W.R.N.S. were not. So that this bill is in order to give the girls who went into the naval services the same rights as those who went into either the army or the air force; that is the reason for this bill.

Mr. MUTCH: They are in the Canadian Naval Service?

The CHAIRMAN: They were members of our armed forces.

Mr. MUTCH: It is to give the Canadian girl who went into the British navy the same as she gets here?



The CHAIRMAN: That is right.

Mr. MUTCH: Carried.

The CHAIRMAN: Is the second clause carried?

Mr. BROOKS: Is there anything to indicate it is Canadian or Canadian domicile, or does that come later on?

Mr. WOODS: Later on.

The CHAIRMAN: It comes later on.

Mr. WOODS: Section 3.

Section 2 agreed to.

The CHAIRMAN: Then clause 3. This provides that it is restricted to persons of Canadian domicile who were members of the W.R.N.S. or the S.A.M.N.S.:—

Persons of  
Canadian  
domicile  
who were  
members of  
W.R.N.S.  
and  
S.A.M.N.S.

3. Every person domiciled and resident in Canada who since the tenth day of September, one thousand nine hundred and thirty-nine, served as a member of the Women's Royal Naval Services or as a member of the South African Military Nursing Service outside Canada and who, at the time that such person became a member of either of such services was domiciled in Canada, shall on termination of such service be deemed to be

As  
"veterans"  
entitled  
under  
certain  
Acts.  
1942, C.33  
1944, C.49

(a) a "veteran" as defined in

(i) paragraph (d) of section two of The Veterans' Land Act, 1942, as amended by Chapter 34 of the Statutes of 1945;

(ii) paragraph (k) of section two of The Veterans' Insurance Act;

(iii) subparagraph (ii) of paragraph (m) of section two of The Veterans' Rehabilitation Act, and

(iv) paragraph (d) of section four of The War Veterans' Allowance Act, 1946,

and as such entitled to all rights, privileges and benefits under those Acts respectively, subject to all conditions as are in such Acts respectively contained.

As  
"veterans"  
entitled  
under  
certain  
Acts.  
1944, C.19  
1942-3 C.31  
R.S. C.22  
1944-45  
C.51  
amended by  
C.38 1945  
R.S. C.157

(b) a person who

(i) "served in the naval, military or air forces of His Majesty" as that expression is used in section five of The Department of Veterans Affairs Act and as similarly used in subparagraph (i) of paragraph (a) of section two of The Reinstatement in Civil Employment Act, 1942, and as similarly used in section twenty-nine of the Civil Service Act;

(ii) "served on active service in any of the naval, military or air forces of His Majesty other than those raised in Canada" as that expression is used in section seventeen of The War Service Grants Act, 1944, and as similarly used in sections forty-six A and forty-six B of the Pension Act, and

(iii) falls within the class described as "members of the Canadian naval, military and air forces while in the Canadian Active Service Forces" as that expression is used in paragraph (t) of section four of the Income War Tax Act,

and as such entitled to all rights, privileges and benefits under those Acts respectively, subject to all conditions as are in such Acts respectively contained.

R.S. C.97

Some Hon. MEMBERS: Carried.

Mr. FULTON: Before you carry that, in our other Acts that were passed last session dealing with this, there was provision that these people must come back to Canada before they become entitled to the benefits. I have not studied this carefully, but I do not see it on the face of this clause 3.

The CHAIRMAN: Well, that is the person who went into the United Nations forces, foreign forces. This only applies to those who went into His Majesty's forces. That is the distinction.

Mr. FULTON: I am not questioning it, because as I say, we have not had an opportunity to study it and compare it with the others. But I remember there was a certain amount of controversy and our intention was not to keep any one entitled to them from getting gratuities and benefits, but rather to make sure that they would be payable only at Canadian rates to people who intended to come back and live in Canada; and if they did not intend to come back and live in Canada, they would only receive benefits payable to the members of the Empire forces in those parts of the Empire in which they served.

Mr. MUTCH: Was that not in connection with the rehabilitation grant?

Mr. FULTON: Yes.

Mr. MUTCH: We gave gratuities and other benefits, but in the case of these things that affected rehabilitation, they must come back to Canada and get it. I think, if you will refresh your memory, Mr. Fulton, you will remember that was the way that discussion arose.

Mr. FULTON: Is there anyone in a position to say definitely as to that, whether what Mr. Mutch says is correct? If so, that covers the point.

Mr. MUTCH: That is my recollection.

The CHAIRMAN: Just take clause (a) where it says "A veteran as defined in paragraph (d) of section 2 of the Veterans' Land Act, 1942, as amended by chapter 34 of the statutes of 1945." They are giving the rights under the Veterans' Land Act to a person domiciled and resident in Canada who since 10 September, 1939, served as a member of the Women's Royal Naval Services. As I understand it, at the time of applying for those rights or conferring of those rights, they must be domiciled at the time they entered the services and must now be domiciled and resident in Canada. Is that the idea?

Mr. WOODS: These various measures, with the exception of the Veterans' Insurance Act, require that the individual be domiciled here to take advantage of them. They cannot take advantage of the Veterans' Land Act while they are overseas. They cannot take advantage of the Veterans' Rehabilitation Act while they are overseas, with the exception of the gratuity. There has been no stipulation at any time with respect to the Imperials who were domiciled in Canada that, in order to avail themselves of their rights as to pension and so forth, they must return and live in Canada. Nevertheless, with respect to these Acts, they must of necessity be residing here to take advantage of them.

Mr. MUTCH: That is the point.

Mr. GREEN: What about a Canadian woman who has been living in Great Britain over a period of years, then enlisted in the British naval forces and returned to Canada after the war? Would she be covered under this?

Mr. WOODS: Provided it is considered that she did not lose her domicile; that is to say, that she did not permanently move her domicile from Canada. If she is considered to have been domiciled in Canada and not lost her domicile, she is eligible.

Mr. GREEN: Are there any other acts having to do with veterans in which the same test of domicile is used, because that is a very broad word?

Mr. WOODS: They are all that way, domiciled in Canada at the time of their enlistment.

Mr. CRUICKSHANK: If a girl married a Canadian serving over here, what is she? What do you call that?

Mr. SINCLAIR: Very fortunate.

Mr. CRUICKSHANK: Not in some cases. Take the case of a W.A.A.F. who served in Canada for two or three years and married a Canadian, does she become a Canadian citizen? Is she entitled to this if she acquires her husband's domicile? I have a particular case in mind of an English girl who was fortunate enough to marry a man from the Fraser Valley. She had been in Montreal two years and married an airman in Montreal, and what I wanted to know is will she become a Canadian citizen?

The CHAIRMAN: She takes the domicile of her husband.

Mr. CRUICKSHANK: Will she, now?

The CHAIRMAN: I presume so.

Mr. CRUICKSHANK: That is what I want to know.

The CHAIRMAN: I do not think there is any case on that.

Mr. CRUICKSHANK: It has never come up; I want to know.

The CHAIRMAN: You have the opinion of the law officer of our department, plus the opinion of your chairman, for what it is worth, that she takes the domicile of her husband by law and would come under this Act.

Mr. FULTON: She was not domiciled here at the time she joined.

Mr. GUNN: Mr. Chairman, it may be observed that the domicile and residence qualifications mentioned in the very first line are these: At the time the application is made the person must come under the domicile and residency qualifications, as Mr. Woods has pointed out, to qualify her for a particular benefit depending upon the Act under which the benefit is given. So, this expression "domicile or residence" in the first line must mean "presently domiciled" at the time of which the Act speaks.

The CHAIRMAN: To complete the matter, there are two parts: one, they must be domiciled in Canada at the time they become members of the service, and they must now be domiciled and resident in Canada. So that the case mentioned by Mr. Cruickshank is this: if she joined this force after the marriage and came to Canada with her husband, then, of course, she would be entitled to benefit, but if while a member of the forces she married then she would not be entitled to it.

Mr. QUELCH: Would she be entitled for benefits under the British Act? Does she fall between the two sections and get nothing at all? She should either be eligible under this Act or under the British Act.

The CHAIRMAN: Evidently the British law would not disqualify a girl from any rights because she married a Canadian.

Mr. CRUICKSHANK: She gets her fare paid by the Canadian government. In this case she is not actually a Canadian war bride; she was married in Montreal.

The CHAIRMAN: The finding of the interdepartmental committee was this: "It is apparent, therefore, that these women received pension and certain other benefits from the British government on a basis similar to that enjoyed by the A.T.S.'s and W.A.A.F.'s but unlike the latter are not eligible for any benefits under Canadian veteran legislation."

Mr. SINCLAIR: If a Canadian went to join the R.A.F. and left before the 1st of January, 1937, and joined the R.A.F. she would not get the benefit, but if she joined after she would get it. What about Canadian girls who went over before the 1st of January, 1937?



The CHAIRMAN: As I understand it, Mr. Sinclair, that might be regarded as a broad interpretation of "domicile". There is no reason to suppose there would be any less broad interpretation in this case.

Mr. MUTCH: Have they not interpreted it in this way? If a girl was single and her home may be taken to be in Canada and she had been working or studying over there, the presumption being that she would come back, that is O.K. whenever she went; if, on the other hand, she had taken a permanent job and set up an establishment or married she was considered to be British?

Mr. CRICKSHANK: If she registers once a year; she must register once a year at Canada House.

Mr. QUELCH: A girl must be domiciled in Canada at the time of the enlistment and she must resume domicile at the end of the war. If a girl marries a Britisher and stays in England she becomes disqualified, but does she obtain the benefits of the British Act and vice versa? It seems to me that somebody will fall between the two sections of the two Acts and get nothing.

The CHAIRMAN: Of course, we do not accept any obligation in respect of anyone serving in the British forces and who does not come back to Canada. That is obvious; why should we?

Mr. QUELCH: Will the British adopt the same attitude and refuse to pay pension to these girls who come to Canada?

Mr. MUTCH: That is not true in the case of a pension.

The CHAIRMAN: I know. The question has been raised, Brigadier Melville, if a domiciled Canadian goes into the British forces and does not come back to Canada—does not resume his domicile in Canada at all—do you recognize any right to pension under our Canadian Pension Act?

Brigadier MELVILLE: Provision is made in the Pension Act that if a Canadian proceeds to England in the four years immediately preceding the outbreak of World War II and incurs disability or death during service in that war with the forces of the United Kingdom then he is entitled to supplementation of his pension to Canadian rates on return to Canada, and during the term of residence therein.

The CHAIRMAN: They must return to Canada?

Brigadier MELVILLE: Yes.

The CHAIRMAN: Before we in any way take an interest in them they must resume their Canadian domicile?

BRIGADIER MELVILLE: Yes, and if they return to Canada and leave, the supplementary pension is discontinued and they only get the British award.

Mr. QUELCH: If they do not return to Canada, due to the fact that they were domiciled in Britain at the outbreak of the war, would they be refused pension in Britain?

The CHAIRMAN: No, because they served in the British forces, and naturally they pension anyone who served with them.

Mr. QUELCH: Yes, but we refuse to grant certain benefits to people who were not domiciled in Canada prior to the war, and I was wondering if the same thing would apply in Britain in the case of those who were not domiciled in Britain?

The CHAIRMAN: This only applies to people who had been serving in the Canadian forces. It does not matter what a man's domicile is if he served in the Canadian forces, he has the full rights that we give to people who served in Canadian forces. It is the same way in regard to the British forces. We say that these people who served in the Wrens will have certain rights under British law, but if they come back to Canada and resume domicile here we will supple-

ment their rights up to the same level as that which they would receive had they served in the Canadian forces. Shall the clause carry?

Carried.

Mr. BROOKS: With regard to that section, concerning the Veterans' Land Act, does that mean that the nurses and Wrens are going to have all the privileges under the Veterans' Land Act of taking up land?

Mr. WOODS: If they qualify.

Mr. BROOKS: Will their husbands have to be inspected by the department to see if they are qualified?

Mr. CRUICKSHANK: That is a good question.

The CHAIRMAN: Clause 4:

The minister may make such rules and regulations, subject to the approval of the Governor in Council, as may be necessary or advisable to give effect to the provisions of this Act according to their true spirit and intent and for that purpose to supplement such provisions.

Carried.

The CHAIRMAN: Clause 5:

Order in Council 6938 of the 15th of November, 1945, is revoked.

Clause 5 revokes the order in council in regard to South African nurses.

Carried.

Mr. GREEN: There is one point I should like to get cleared up with regard to South African nurses. If they are eligible for pension, will they have to establish eligibility first in South Africa and then under this Act in order to be entitled to have whatever pension is granted by South Africa supplemented by Canada?

The CHAIRMAN: Yes.

Mr. GREEN: Is not that going to make it very difficult to get a pension?

Mr. WOODS: That same stipulation applies to any man who served in the Imperial forces. That is, the Imperial forces must award the pension and then Canada supplements it.

Mr. GREEN: We have certain methods of cooperating with the Imperial Pension Board. For instance, there is a special representative here of the British Ministry of Pensions. Now, that of course is not true with regard to South Africa; but it does seem to me that there is a danger that the Canadian nurses who served in South Africa will find it extremely difficult to qualify for pension.

Brigadier MELVILLE: I may say that during the war our relations with South Africa have been excellent indeed. Canadian pensioners who were residing in South Africa—veterans of World War I—we arranged with the South African government to have their pensions paid and we refunded. There was thus no delay in the payment of pensions. With regard to other services the arrangements have been very satisfactory. We work through the commissioner's office here.

Mr. CLEAVER: Have you any suggestions to make in regard to that matter which would assist these Canadian girls in establishing their eligibility for a South African pension, because they must establish that before they can have the benefits of the supplementary Canadian pension?

Brigadier MELVILLE: They will be taken up here through the office of the High Commissioner.

Mr. CLEAVER: And has he powers with respect to eligibility?

The CHAIRMAN: You will find that our pension advocates assist just as they do with any other Canadian in establishing their claims with the South African government.

Mr. Mutch: There is one point that occurs to me in that connection. I am thinking of five years from now when one of those girls may seek to establish eligibility for pension. Would the procedure be that she would be examined by our pension board here; would eligibility be established according to our standards and have that referred to South Africa for approval? That girl is a long way from the South African authorities and she is here. I think that is an important question.

Brigadier MELVILLE: Mr. Chairman, as you explained, they would have the advantages of the facilities of the Veterans' Bureau. The Veterans' Bureau would do everything to assist in the preparation of the claim. I am quite sure that the facilities in the Department of Veterans Affairs and the Canadian Pension Commission would be extended, as far as possible, and each claim would be prepared for submission, through the proper channel, to the South African authorities.

Mr. GREEN: Would it not be possible for Canada to make some arrangement with South Africa so that our pensions commission, instead of being only an aid to the nurse who applies, could decide whether she was eligible to apply? I think that could be done by arrangement with the South African authorities. It may turn out that some of these nurses will be disqualified because of all the red tape they will have to go through in order to meet the South African requirements.

Mr. BROOKS: With regard to the insurance principle, concerning nurses serving in South Africa the insurance principle would apply the same as it does to our troops serving overseas, would it?

Brigadier MELVILLE: I am afraid I could not answer that question at the moment.

The CHAIRMAN: That would come up, of course, under the Pension Act. We are giving them the rights here just as if they went into the Canadian forces.

Mr. GREEN: No, you are only giving them the right to supplement once they have proved eligibility.

The CHAIRMAN: Yes, but that would, of course, I fancy, come up in the Pension Act. It does come up here. I would not rule it out. I fancy if they were not granted a pension under the terms of service with South Africa and we only supplemented it, it raises a question where if they had gone into the Canadian forces they would have got the pension, and I suppose some question has been raised from time to time in connection with supplementing Imperial pensions. They have been quite as well off in that regard as though they went into the Canadian forces; is that right, Brigadier Melville—if a Canadian goes into the British forces? On account of the insurance principle not being fully applied by the British pension law, it is quite conceivable that a man would not get a pension but had he gone into the Canadian forces he would have got it?

Brigadier MELVILLE: Yes, because the basis of entitlement is not the same.

Mr. EMMERSON: Mr. Chairman, I should like to point out that there is a great deal of merit in the matter which Mr. Green has been pressing. I do not think there has been any great difficulty so far in the way the South African pension commission has dealt with this matter. If there is extreme delay it does take a lot of time, and I was wondering whether some arrangement could be made between our government and the South African government with a view to having these matters handled a little more promptly.

The CHAIRMAN: The difficulty is that we are helping out Canadians who went into a force other than their own, and they are supplemented, if they have domicile, up to the Canadian level. Their service documents are in the hands of the country with which they served, and in order to deal with this



matter properly we would have to have those documents. Now, the question is, and it has risen repeatedly with regard to Imperials, that the British naturally want to keep the service documents of those who served with their forces, and it is hard to see how we could do otherwise than we are doing today. That is, the matter is dealt with first as a matter that they served with their forces. They have the documents; and after having dealt with them then application is made to our pension commission to supplement. Now, I fancy that our pension commission has been up against this very problem repeatedly in regard to those who served in British forces, other than Canadian. Perhaps Brigadier Melville would make an observation with regard to what Mr. Emmerson has said concerning some method of speeding things up.

MR. EMMERSON: I believe that the South African commissioner has duplicate service documents for those 298 who went there. I cannot say that positively.

BRIGADIER MELVILLE: I know of two cases, Mr. Chairman, where nursing sisters returned from South Africa and some question arose about gratuity. Representations were made to the office here and I must say that the most sympathetic and speedy consideration was obtained. Anything I can do to further that relationship I certainly shall be glad to do.

MR. GREEN: There is one point which I think is not strictly accurate. You said that these young women enlisted in another force. Now, while that is true technically, actually at that time the Canadian forces were not in action and the South African forces were in action in North Africa, and those nurses were, in effect, recruited by Canada for South Africa. Now, Canada has a responsibility to them, and a far greater responsibility than if they had simply got on a boat and gone to South Africa to enlist. They did not do that; they were called for by the Canadian government. That fact should be borne in mind.

THE CHAIRMAN: That is why this bill has been brought forward.

MR. CRUICKSHANK: Is not this bill entirely a grant? It does not mention pensions at all.

THE CHAIRMAN: Oh, yes.

MR. CLEAVER: I would think in regard to this special group referred to by Mr. Green that if the rules of entitlement are more strict in South Africa than they are here then as to those special cases Canada should not only supplement but should assume the full pension responsibility.

MR. BROOKS: I am not altogether satisfied with regard to this insurance principle. These girls naturally were not in any danger of being hit by a bomb.

MR. GREEN: Yes, they were.

MR. BROOKS: Not very much. Their chief danger was with regard to their health. They were in a different country, living in a different climate, and in future years I have not the least doubt that some of these girls will be asking for pension, and I would like to ask whether in the Pension Act there could be an amendment made to include this territory so as to provide pensions for them.

MR. MUTCH: Would not that have to come through an amendment to the Pension Act?

MR. BROOKS: That is what I am asking.

THE CHAIRMAN: I think that is correct. A point has been raised there that I think this committee might very well consider. I believe the idea of parliament and of this committee is that in connection with these girls who went to South Africa a certain obligation should be recognized in regard to them, as Mr. Green has said; and if we find out—and we will make it our business to find out—that under the Pension Act they are not going to get all that we intended them to have, we should make an amendment to the Pension Act. That will be properly a matter of recognition by this committee. Brigadier Melville

can look into the basis on which pensions are awarded in South Africa and see if this bill carries out what we intend, and if it does not, when we consider the Pension Act is the time when we could make sure that the wishes of the committee are recommended in a recommendation to the House of Commons.

Mr. GREEN: Of course, an amendment to our Pension Act would not help them if they still have to establish eligibility under the South African law.

The CHAIRMAN: We could recommend it in the case of those who are covered by this bill that the insurance principle should apply to them. That would be all we would have to do so far as we are concerned. So, if we wish to do it, we could recommend that notwithstanding the fact that their own government did not recognize any obligation to pay pension, that we recognized it, and that would be a matter of amendment, I take it, to the Pension Act itself. We could provide for it there.

Mr. FULTON: That would be the proper place to do it too.

The CHAIRMAN: May we have a motion to report this bill now? I think we have carried all the revelant clauses.

Motion agreed to.

The CHAIRMAN: The next subject before this committee, gentlemen, is the Soldier Settlement Board bill. It is a very short bill: "This section reduces the interest rate for certain soldier settlers who served in World War II from 5 per cent to  $3\frac{1}{2}$  per cent from and after the standard date in 1942, or the date of enlistment, whichever is the later. Standard date, according to the Act, is the first of October in Manitoba and provinces west thereof and the first day of November in the provinces east of Manitoba."

That is section 76.

Mr. McKAY: How far back is this retroactive? We have no copies of the bill.

The CHAIRMAN: I shall read the bill slowly in the light of the explanatory note, and I will repeat the explanatory note. "This section reduces the interest rate for certain soldier settlers who served in World War II from 5 per cent to  $3\frac{1}{2}$  per cent from and after the standard date in 1942, or the date of enlistment, whichever is the later. Standard date, according to the Act, is the first of October in Manitoba and provinces west thereof and the first of November in the provinces east of Manitoba."

Now, the bill provides as follows. The Soldier Settlement Act is amended by adding thereto the following sections:—

76. In any case where

- (a) a person is indebted in respect of any agreement made under this Act;
- (b) a person has not abandoned his land;
- (c) the agreement has not been terminated, rescinded or assigned;
- (d) a person at any time during the war that commenced in September, one thousand nine hundred and thirty-nine
  - (i) was engaged on active service in a naval, military or air force of Canada; or
  - (ii) was engaged on active service in any of His Majesty's forces and at the time of his enlistment therein was ordinarily domiciled or resident in Canada;
- (e) a person either
  - (i) served in a theatre of actual war as designated by the Governor in Council under the authority of the Pension Act; or
  - (ii) served only in those parts of Canada that are not so designated by the Governor in Council as a theatre of actual war, for a period of not less than twelve months; or

- (iii) is by reason of disability incurred as a result of such service in receipt of a pension; and
- (f) a person has been honourably discharged from the force in which he was so engaged or has been permitted honourably to resign or retire therefrom;

the rate of interest that may be charged in respect of any such agreement after the standard date in the year one thousand nine hundred and forty-two or the date of his enlistment in such force, whichever is the later, shall be three and one-half per centum per annum.

77. In any case where a settler has not abandoned his land and his agreement made under this Act has not been terminated, rescinded or assigned, the rate of interest that may be charged in respect of any such agreement after the standard date in the year one thousand nine hundred and forty-four shall be three and one-half per centum per annum.

I think Mr Murchison should say a word about this—the effect of it.

Mr. G. MURCHISON, Director, Soldier Settlement and Veterans' Land Act, called:

The WITNESS: Mr. Chairman and gentlemen, the proposed section 76 arises from the study and recommendations of the special parliamentary Committee on Veterans Affairs in 1942. It was pointed out at that time that quite a number of soldier settlers had enlisted or would probably enlist before the war was over, and it was felt that since the soldier settlers at that time and at the present time are barred from establishing under the Veterans' Land Act, they should at least be given the advantage of the same rate of interest as is the case under the Veterans' Land Act. I may say that, during the course of the war, I think the peak number of soldier settlers who enlisted for service was approximately 765; and pursuant to the Order in Council which authorized that reduction in the rate of interest to  $3\frac{1}{2}$  per cent as from the standard date of 1942 or the date of enlistment, whichever was the later, these adjustments were carried into effect.

Section 77 merely extends that reduction in the rate of interest to all soldier settlers of record as of the 28th March, 1945, whether they served or not. It was felt that since 760 odd of them had had their interest rates adjusted to  $3\frac{1}{2}$  per cent as a result of, or stemming from, their service with the armed forces, there was no particular reason why the rate of interest should not be extended to them all.

*By Mr. Brooks:*

Q. How many are there altogether?—A. At the present time the numbers are being very rapidly reduced due to paying off their loans in full. I would not care to give you a firm figure this morning, but it is somewhere in the neighbourhood of 4,000. That is the purpose of it, to regularize by amendment the Order in Council which reduced the rate of interest to  $3\frac{1}{2}$  per cent on behalf of those who served as from October 1, 1942 or the date of their enlistment; and then, secondly, to bring in all soldier settlers of record on March 28, 1945, whether they served or not, and to extend that reduction in the rate of interest to them as well.

*By Mr. Bentley:*

Q. Is March 28, 1945, what is meant by the standard date in 1944?—A. No. The date of the Order in Council reducing the rate to  $3\frac{1}{2}$  per cent of all soldier settlers is dated the 28th March, 1945, but it took effect as from the standard date in 1944.

*By Mr. Fulton:*

Q. Was the year 1942 used because that is the year the Veterans' Land Act was passed?—A. That is right.



Mr. CLEAVER: I have not a copy of the proposed amendment before me, Mr. Chairman, but if I heard your reading of it correctly, our old problem of honourable discharge again crops up. We have dealt with that pretty thoroughly under the War Service Grants Act, and I am wondering if we should not add words to the effect that this reduced interest benefit will apply not only to those honourably discharged but to those discharged under such circumstances as may entitle them to the war service gratuity. Wording of that sort would eliminate a full discussion of what we have had before and would tie it in to that.

The WITNESS: If I might comment on that, Mr. Chairman, the necessity for that is cancelled out by the addition of Section 77 to the Act. In any case where a settler has not abandoned his land and his agreement made under this Act has not been terminated, rescinded or assigned as of the standard date in 1944, he gets this reduction.

Mr. CLEAVER: Would you mind reading that honourable discharge part again? It is difficult to follow.

The CHAIRMAN: The effect of it is this, Mr. Cleaver. You are quite right. A person that served and got an honourable discharge, if he is under Section 76, might get his reduction of interest two years ahead of when he gets it under Section 77.

The WITNESS: Yes.

The CHAIRMAN: So you are quite right. It does bring that up. If he gets a dishonourable discharge, he would get his reduction of interest dating from the standard date in 1944, and if he was in the army in 1942 and got an honourable discharge subsequently he would get his reduction in rate of interest from 1944. If he got an honourable discharge he would get it from 1942.

The WITNESS: Or from the date of his enlistment.

The CHAIRMAN: Or from the date of his enlistment.

Mr. CLEAVER: In view of that, I would withdraw my suggestion, because it is not of very great importance and it would perhaps encumber the Act with an amendment that might lead to some difficulties. If the only penalty that a veteran has as the result of a dishonorable discharge is that he loses about two years interest, it would not be of great importance.

The CHAIRMAN: That is all he could lose.

Mr. CLEAVER: In that event, I do not think we should worry about it.

The CHAIRMAN: That is all he could lose, is it, Mr. Murchison?

The WITNESS: Yes.

*By Mr. Quelch:*

Q. I take it that the year 1942 is set rather than the date of enlistment because the Veterans' Land Act came into being on that date?—A. That is right.

Mr. QUELCH: Therefore, of course, a soldier settler under the Veterans' Land Act could not get the rate of 3½ per cent because there was no Act. But I cannot see that it should apply to veterans who already had land under the old Soldier Settlement Act. It seems to me in so far as veterans and soldiers who enlisted in 1939 are concerned, that those soldiers should be entitled to the rate of 3½ per cent from the date of enlistment rather than from 1942. I cannot see why you set the date in 1942 for soldiers who already had land. It should be from the date of enlistment, surely?

Mr. MUTCH: Your suggestion is to leave out the words "whichever is the later"?

Mr. QUELCH: Yes, that those words be struck out.

An Hon. MEMBER: Make it "whichever is the earlier".

Mr. MUTCH: If you leave it out altogether, it is the same thing.

Mr. CRUICKSHANK: No, it is not clear. There will not be so very many affected, surely?

The WITNESS: I think that while there is, technically, room for some small adjustment there, after all, can anyone say when the Veterans Guard was formed, to any large extent? I think it was in the formative stages about then, 1941 and 1942.

Mr. QUELCH: A few went into the regular army. There were some that went into the regular army.

Mr. TREMBLAY: The Veterans Guard of Canada was formed in June of 1940.

The WITNESS: I do not think there were very many soldier settlers who had joined up before 1942.

*By Mr. Cruickshank:*

Q. If there were not very many, why not include them?—A. It is just for the reason that Mr. Quelch has pointed out, that the reason they were dealt with at all in 1942 was because the effective rate of interest under the Veterans' Land Act was set at  $3\frac{1}{2}$  per cent and it was felt that the same rate of interest should be applied to soldier settlers as from the date of the Veterans' Land Act.

Mr. BENTLEY: If there are very few to whom it would be beneficial, I do not see that it would cause any administrative difficulties by putting in the words "whichever is the earlier" rather than "whichever is the later". It would not cause any difficulty. If there are only a few to be affected, then those few would benefit.

Mr. GREEN: I do not see why these men should not be covered from the time of enlistment, and I would move an amendment to that effect.

Mr. CRUICKSHANK: I will second that.

Mr. GREEN: That the bill be amended accordingly.

Some Hon. MEMBERS: Carried.

Mr. CRUICKSHANK: No discussion.

The CHAIRMAN: We want to get right this amendment you are moving. You have only in mind while they served in the war. I think that is covered by this amendment all right.

Mr. CRUICKSHANK: Whichever is the earliest.

The CHAIRMAN: That is, it would only apply after the 10th or the 3rd of September. Which date would you set, Mr. Green, the 3rd or the 10th of September, 1939?

Mr. GREEN: The 10th of September.

The CHAIRMAN: Then your only idea is to have that apply on enlistment after that date?

Mr. GREEN: Yes.

Mr. MUTCH: One-and-a-half per cent for two years to a few people will not cost very much.

The WITNESS: It would cost us something for administration.

*By the Chairman:*

Q. Is there any great problem of administration on that, Mr. Murchison?—A. Well, all I can plead, Mr. Chairman, is that our accounting staff are being very hard pressed at the present time, and that this would mean a search of every account and the enlistment date in order to carry these adjustments back to some date prior to October 1, 1942. I am satisfied that the number would be

small; and at the same time I am equally satisfied that the cost of administration in doing this checking would be just about equal to the amount of write-offs or rebates you would have to arrange.

Mr. CRUICKSHANK: It would put some people to work, though.

An Hon. MEMBER: Well, the motion is carried.

The CHAIRMAN: What is the actual working of that amendment? Have you got it?

The CLERK: Moved by Mr. Green that clause 1, paragraph (f) be amended by substituting the word "earlier" for the word "later" in line 7.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: So that would mean that whichever is the earlier; that is, if he did not enlist until 1944, his contract would be written back to the beginning of the war just the same as if he did.

Mr. MUTCH: No.

The CHAIRMAN: Well, that is the effect of it.

Mr. GREEN: Would it be written back to 1942 if he enlisted after.

The CHAIRMAN: The effect of your amendment would be to write that back. You say, "whichever is the earlier". As long as he went in the armed forces at all, he would be written back.

Mr. GREEN: To the date of enlistment.

The CHAIRMAN: To the date of enlistment or the standard date. Is that clear to the committee? All those in favour of it?

Some Hon. MEMBERS: Carried.

Motion agreed to.

The CHAIRMAN: Then have we a motion to report the bill as amended?

Mr. BENTLEY: Will you allow one question, please? The passing of this bill will not stop us from discussing further amendments to the Soldier Settlement Act?

The CHAIRMAN: No. That is definitely understood. Could I have a motion to report this bill?

Mr. CRUICKSHANK: I move that.

Motion agreed to.

Mr. HERRIDGE: I should like to bring up a matter, while Mr. Murchison is here, that I brought up at the first meeting of the committee, and that is the question of the failure of the government of British Columbia to sign an agreement with the federal authorities for the disposal of provincial lands. I should like to hear some comments from Mr. Murchison and to find out if he has any suggestions to make to this committee as to what we can do to get something done in this matter. This means a lot to quite a number of veterans in British Columbia.

The WITNESS: I might say, Mr. Chairman, that within recent weeks correspondence has passed between my minister and the Minister of Lands in the province of British Columbia, strongly recommending to him that his government give careful consideration to the completion of an agreement under Section 35 of the Act, so that these benefits conferred by that section might be made available without delay to veterans in that province. It has been pointed out by myself in conversation with representatives of the province of British Columbia, and by my minister, that agreements are already in effect with the three prairie provinces. During this past two or three months we have had something like 1,500 applications in the three prairie provinces to participate under this agreement in those provinces; and while I do not expect any sudden flood of applications of a similar kind in British Columbia, if an agreement were



completed there forthwith, I feel that it is something that the government of British Columbia should do. But until they are prepared to enter into an agreement as provided by that section of the Act, the veterans in British Columbia just simply cannot get this grant of \$2,320.

I think you will appreciate that I cannot say very much more when it is a matter of decision by the government of British Columbia itself as to whether they should act or not. I think I can say to this committee that I have opposed, as director responsible for administration, the taking up of the million acres of land offered to us by the province of British Columbia with a view to settling on these lands only veterans of the province of British Columbia. I had to take that stand on those grounds and, secondly, because I think the province of British Columbia, rightly or wrongly, anticipated that if we took over those lands, the great bulk of which are located in the area of Prince George-Prince Rupert, they would require very expensive and extensive development before they would be of much use for settlement. I have, on various occasions, pointed out that due to the limited volume of enlistments in the area where these lands are located, there could not possibly be any great potential demand by veterans who were derived from those particular areas; consequently, if there was the restriction placed by British Columbia in their statutes that these lands were to be settled only by veterans of British Columbia, they would have to depend on recruiting large numbers of veterans from the southern interior and the Fraser Valley area in order to settle all those lands in the northern part of the country.

We have at no time encountered any important degree of interest in the minds of veterans in the Vancouver area or in the southern valleys towards moving up into the northern interior to settle on this heavily bushed and, in quite a few cases, rather inaccessible land. There are provincial lands also in scattered blocks in the southern part of the province. I know Mr. Herridge has in mind a block of land in the Kaslo-Lardeau area in the Kootenays, which could be put to good use if an agreement was entered into with the province under Section 35. There may possibly be some diffidence on the part of the province with regard to that particular block because it will be necessary to construct a road of about 12 miles in length in order to give access to those particular lands. But it seems to me that is not a very serious matter if there is an opportunity to accommodate, say, up to 100 veterans on provincial lands with a grant of \$2,320.

I can assure you that it is a matter of considerable disappointment to me as administrator that an agreement has not been completed with the province, and any recommendations that this committee would care to make to the province of British Columbia to facilitate the completion of an agreement of that kind will be more than welcomed by the administration; and I am sure it will open up opportunities for veterans in that province in the south and also some in the north. It would provide opportunities for commercial fishermen on the Pacific coast that otherwise do not exist. You see, under this particular section of the Act, we may grant \$2,320 for a variety of purposes or a combination of purposes or any one of those purposes, and one of them is for commercial fishing equipment. So long as a veteran could show us that he had access to a home site or a parcel of land, provincial land, where he is going to make his home, we would be able to supply him with up to \$2,320 for commercial fishing equipment, which is a substantially better show than is possible if we were to try to reach him under Section 9 and force him to buy a piece of agricultural land and build a home, and then give him \$1,200 worth and also in the process put him into debt.

I do not think there is anything more I need to say on that. I feel as time goes on, when the northern part of the province is opened up, there will be opportunities for veterans. We hear talk these days of a new railway outlet to the Pacific coast; I know that the province has made some provision for the

construction of a wagon road or a tourist road connecting Prince George with Dawson Creek. That is going to open up a vast area of country which will simply be teeming, I think, with opportunities for veterans to obtain a toe-hold in a new country, and on a basis where they are not going into debt. So that anything that this committee can do to facilitate the completion of that agreement, as I say, will be more than welcomed so far as I am concerned.

*By Mr. Green:*

Q. Mr. Murchison, is your real difficulty with the bulk of this land that the province has offered that it is in central British Columbia and will require quite a lot of clearing, and you do not want to have anything to do with it?—

A. I would not say that I do not want to have anything to do with it, Mr. Green. I think that the province of British Columbia is to be commended for the prompt action that it took in making that offer, that gesture, of a million acres. But it was surrounded by conditions which made it very difficult or impracticable for us to accept. For instance—

Q. What is the main difficulty which makes it impossible for you to accept that offer?—A. Well, the first one is that the province put a blanket reservation on all their provincial lands, which consist of approximately 3,000,000 acres. They asked me to proceed and select my choice of 1,000,000 acres. To do that I would have had to bring under survey practically all the provincial lands in the province of British Columbia. The first difficulty that arose is that the survey system in the northern part of the province, in the wooded lands and many of them quite inaccessible, has pretty well disappeared due to the passage of time. That survey system must be retraced before any examination could succeed in selecting this block, that block or the other block. The second difficulty is that the cost of clearing would, in the average case, according to our best information, run anywhere from \$30 to as high as \$75 an acre.

Q. You do not want to have anything to do with the cost of clearing the land?—A. No. We do not want to take it on the basis of developing it and putting a man into debt. There is also a rather serious water supply difficulty in a good deal of the area of provincial land that is offered to us. Wells are very difficult to get. You will realize that the Fraser Valley goes through a lot of that land, and there is just no possibility of getting water unless you sink a well below the level of the bed of the Fraser river, which is in a canyon over 200 feet deep.

*By Mr. Cruickshank:*

Q. You mean the Fraser river, not the Fraser valley?—A. The Fraser river.

*By Mr. Green:*

Q. Then you are also objecting to this provision that only veterans enlisted in British Columbia can take the lands?—A. Yes. I think I should say to you, Mr. Chairman and Mr. Green, that according to the last information I have the province proposes to cancel that reservation they put on all these lands as of the 1st of next July. I think that is the first step they will take towards considering maybe coming into an agreement with us.

Mr. GREEN: The legislature is sitting now and the provincial Minister of Lands is quoted in the press of March 23. He gives the other side of the story. He is quoted as saying:—

Growing impatient with the delay of the dominion government to take up B.C.'s offer of 1,000,000 acres of land for returning veterans, Hon. E. T. Kinney, Minister of Lands and Forests, told the Legislature Friday he would introduce a bill:—

1. To extend to July 1, 1946, the period in which B.C. veterans may take up land in the area (largely situated along the C.N.R.)

That is in central British Columbia. They had to do that, if for no other reason than to save face, because they took the position when they passed the Act originally that only B.C. veterans could have the land. The quotation continues:

2. After July 1, throw the land open to all veterans of Canada, under direction of the Veterans' Land Board.
3. On January 1, 1947, remove all lands from reserve.

After the first of the year, therefore, all the 3,000,000-odd acres of reserved land, purchase of which during the war has only been possible by order in council, will be freed of this restriction.

In other words, it will then be too late for you to get this million acres. Continuing:—

B.C. offered the million-acre tract to Ottawa in 1944, but has had no acceptance. The Veterans' Land Board, however, had kept in close contact, and was in a position to advise with regard to land settlement.

B.C. took the position that the Dominion should bear any cost of settlement, inspection and supervision.

The Veterans' Board, on the other hand, had taken the view that indefinite reservation of crown lands was not warranted. It suggested B.C. and Ottawa enter into agreement for appointment of a joint advisory committee to select veteran-settlers and appraise land.

He felt the Dominion was trying to shrug off its responsibility. The B.C. reserved lands would be kept until July 1 for B.C. veterans. After that, ex-servicemen from other provinces could come in until reserves were lifted in January, 1947.

The provincial government, according to that despatch, are prepared to go part way and perhaps they would go even further if negotiations were attempted at the present time. But I do suggest, Mr. Chairman, that Mr. Murchison take action at once to try to reach an agreement. I think it would be worth while for him to fly out to British Columbia in order to confer with the Minister of Lands before the provincial house rises. If that is not done, it may mean that in another year these lands cannot be taken at all. Frankly, I think that the two governmental bodies are failing to agree, with the resulting detriment to the veterans. I think right now is the time that Mr. Murchison should take some action to get together with the province.

Mr. SINCLAIR: I should like to support Mr. Murchison. I take a different stand from that taken by Mr. Green. No one who knows—and I am sure the member for Skeena whose riding comes in will agree—but will say that a great deal of that land is not suitable for veterans' settlement at the present time. The provincial government, by offering the million acres of land made a big splash in the newspapers, but it would be unkind to settle any veteran on land of that kind. I wonder if you could give us how much of that land would measure up to the qualifications you expect for veteran land settlement in the prairies or in the Fraser Valley?

Mr. GREEN: I do not want to question Mr. Sinclair, but I think it cannot be disputed that some of the most fertile land in British Columbia is in just the portion that is covered by this reserve. It may be that it needs clearing. There is no doubt about that. But I have travelled through that district myself; I know that there have been soil surveys made, and I know that that district is one of the best potential farming districts in British Columbia, except the Peace River and Fraser Valley, which is much smaller.

The CHAIRMAN: Just to clear the point up, Mr. Green, I should like to ask you this. Having regard to that cutting you have read, do you understand



from it that if they carry out their plans, after the 1st of July this year all of their crown land in British Columbia will be available for settlement under the Veterans' Land Act?

Mr. GREEN: That is right.

The CHAIRMAN: That is what you understand from that, up until the end of the year?

Mr. GREEN: That is right.

The CHAIRMAN: I take it that your suggestion would be that that authority to enable us to make use of any land available in B.C. be extended for a period longer than six months. Is that what you had in mind?

Mr. GREEN: No. Really, I think both sides have got their backs up and they just cannot get together. I know I have spoken to some of the provincial ministers, and I think perhaps neither side is trying sufficiently hard to reach an agreement. I do suggest that now the provincial government has gone this far, Mr. Murchison fly out west and see if they cannot come to an agreement.

The CHAIRMAN: Do you not feel, yourself, that the provision restricting it to B.C. veterans made it very difficult for the dominion administration to enter into the same agreement as they have entered into with the other provinces?

Mr. GREEN: Well, that is being lifted as of July 1st.

The WITNESS: If I might make another comment, Mr. Chairman, on the point mentioned by Mr. Green as to probably the administration having its back up about this thing, I should like to say this. We have, of course, to start from the provision of the Veterans' Land Act which authorizes this. That section states that this agreement may be entered into with the provinces to settle veterans on lands which are specially recommended by the province as being suitable. That is what the law says. I have pointed out to Mr. Kinney and his deputy on several occasions that there are two ways in which a province may submit those lands which are specially suitable. One is to give me a schedule of lands, identifying them by description, and saying, "We recommend those lands to you as being specially suitable." I realize that British Columbia cannot do that because it has not got the information. They have not had a physical examination made of these lands to so recommend them.

Mr. GREEN: Some of them may have that?

The WITNESS: Very few of them, sir. But I have put it to them on this basis, realizing their difficulty: let us appoint a joint advisory committee so that when these lands are examined by a competent inspector, the province may speak through a member of a regional advisory committee, saying that they concur that this land is suitable. Now, there has been some slip there. A province may not want to assume any responsibility for the selection of land or for the selection of veterans. I am prepared to meet them on that. If they are prepared to take our word for it that the land is suitable and we have it listed available for settlement I am even prepared to accept that from them; but I do not feel they should have representatives on those local committees because they have a wide area of interest in what we do. Roads have to be built, schools have to be provided, and other social services have to be made available. I take the ground that we simply have no business as a federal agency to allow settlement to occur in places which will create problems for the provincial authorities by allowing groups of families to go back into the hinterland and demand a \$10,000 road or a \$6,000 school.

Mr. GREEN: The B.C. government does not want that any more than you do.

The WITNESS: No. We want to be able to control these things and work against allowing settlement to occur in places where these difficulties would arise. I want to assure everyone on the committee that I have done everything I can

to meet the province. We do not lay down any impossible condition. All we ask them to do is to appoint representatives to sit on committees with us before which a veteran can appear.

Mr. GREEN: Mr. Murchison, you have got to go a good deal further than that if you are going to break this deadlock. That is only a part of it.

The WITNESS: I am prepared to go farther than that; I am prepared to put our inspectors on the ground to inspect the land, the particular lands which they say are available. I am not going to approve advances under this section on the land blindly; we must have some knowledge of the land on which a man is going to settle. So, we must have an inspection service. Now, if the province will give me some firm recommendation that these lands are suitable for the settlement of veterans I am prepared to take that and go on. If they want us to do all the selecting of the land and the veterans I will do that too, but they must, under the federal Act, give me some kind of recommendation that in the opinion of the province the lands are suitable for the settlement of veterans.

Mr. GREEN: Would there be any objection to you going out to Victoria now and seeing if you could reach an agreement on these points?

The WITNESS: There is no objection on my part; I would love to have the trip.

Mr. SINCLAIR: Don't you think it would be more practicable on the part of the British Columbia government, instead of making a blanket offer of 1,000,000 acres, to give you say, 5,000 acres or 10,000 acres in the Caribou or the Kamloops area or in Kootenay?

Mr. ARCHIBALD: As regards most of the arguments I have heard here I am in sympathy with Mr. Murchison. I am not greatly interested in the fight between the province and the dominion. I think at the present time there is not a great deal to worry about. I believe that you are not going to get soldier settlers to go into that country under present conditions; you are just wasting your time arguing about it. In the first place, there are three passenger trains a week running along that line, and there is complete isolation in the way of schools, hydro electric, electricity and so on. You are asking veterans of to-day to go back into the bush, and they are not going to go back into the bush, because they are not going to put up with these conditions. You can see that the trend is toward the cities; and unless there is a full fledged scheme on a huge scale of ameliorating these conditions in the whole north and fixing the transportation problem, you are wasting your time. There are disconnected links; everything has to come out to Jasper and back to Vancouver, and you run into that whole disconnected situation with the P.G.C. that goes nowhere and gets nowhere. Under present conditions it is foolish to talk about this matter because the veterans will not go in; they are not going to put up with the conditions as they exist.

Mr. HERRIDGE: I support Mr. Murchison's point of view, and I think his argument is sound. While this difference of opinion is going on between the province of British Columbia and the federal authorities there are men, dozens of them, veterans who are willing to go back into the bush and are willing to work a farm and build a home. Mr. Murchison knows that in the Lardeau valley in West Kootenays there are about 10,000 acres of good land and there are dozens of men who were born and raised in that district and farmed there who would like to settle on that land, and they are waiting for something to be done in the matter. Now, Mr. Chairman, I am going to move a resolution, if I may—and I hope I get some support from this committee—and that resolution is: "That this committee urge the immediate necessity for the signing of an agreement between the province of British Columbia and the federal authorities



similar to that signed with the other provinces in order to facilitate the settlement of veterans on provincial lands in British Columbia."

Mr. FULTON: I would like to ask a question. Have you ever had an offer either from the provincial government or any other body of that tract or any other tract running in Lardeau district?

The WITNESS: No, I have had no offer. We have knowledge of the provincial Crown lands which exist in that block, and should an agreement be completed under section 35 I can see no reason why we should not extend arrangements to veterans to settle on that land, but those Crown lands in the Kalso-Lardeau district were included in the reservation of 3,000,000 acres throughout the province.

Mr. GREEN: Are they in the 1,000,000 acre tract?

The WITNESS: Mr. Hart told me, "Now, we will let you make your own selection of 1,000,000 acres from all we have." I simply have not got the staff to undertake a survey of 3,000,000 acres of bushland in British Columbia or in any other province at the present time, and with the knowledge that we have of a great deal of the bushland in the central part of the province, I am satisfied that such a survey would be largely futile.

Mr. GREEN: You do not have to take all the 1,000,000 acres at once; there is no condition that you have to take the whole 1,000,000 acres in one piece.

The WITNESS: Yes, that was the idea; they say these are for settlement.

Mr. GREEN: Suppose you said, "Here is a piece of land and we will take that to start with," don't you think they would agree to that?

The WITNESS: If they would say, "We will give you 10,000 acres," that does not get us anywhere under section 35 by way of a grant to these people until an agreement has been signed between the two governments to use that block of land under that section of the federal Act.

Mr. GREEN: I am anxious that an agreement should be reached. Why don't you put it up to them and say, "Do we have to take out the 1,000,000 acres in a solid block at once," or can you say, "We will take this 10,000 acres and sign an agreement on that and get things moving." I suggest that you put it up to them.

The CHAIRMAN: Did you get any opinion as to whether you have a right under the Act to sign an agreement with the province to not only settle people that we say are qualified but people that some other body say are qualified? In other words, we say who are entitled to take the benefits under this Act; and B.C. have attempted to say it is another group, not those people at all. I would very much if Mr. Murchison would have the right to enter into an agreement to spend money under the Veterans' Land Act where the basis of qualification was not what we say but what the British Columbia legislature says. In other words they say it must be in addition to what we say; that the settler must have domicile in British Columbia at the time of his enlistment.

Mr. GREEN: That will be off on the 1st of January.

The CHAIRMAN: It is not off now; and if we pass this resolution of Mr. Herridge's, are we not endorsing the idea that regardless of these restrictions to British Columbia veterans we say that an agreement should have been entered into. In other words, it is an indirect condemnation of our stand. Now, do we wish to take that stand?

Mr. MUTCH: Speaking to the resolution, we have no mission to defend the government of British Columbia. I have no knowledge which would enable me to do so. I am wondering about this. This is a committee of the federal House of Commons, and I question very much the wisdom, shall I say, of us passing a resolution which is in effect a condemnation of the provincial government, since



it would be so interpreted at any rate as we are a federal body, for not having entered into an agreement.

Mr. FULTON: There is the desirability of an agreement being reached.

Mr. MUTCH: That may be, but I think we are sticking our necks out as a committee of the federal House to do that, and I think we ought to consider all aspects of the question.

Mr. CRUICKSHANK: This is a B.C. matter.

Mr. MUTCH: I am not going to express an opinion as to the merits of the disagreement between the province and the dominion because I have not all the facts, but I do think that this committee should consider whether or not our action might be less helpful than the intention of the mover of this motion. I have had a good deal of information given to me this morning, and I am interested indeed in the discussion, but I realize the seriousness of this matter from the standpoint of the veteran in British Columbia. I wonder whether we would be helping if we passed this resolution. I doubt it.

Mr. CRUICKSHANK: Could I ask Mr. Murchison a question? Personally, I do not think he has two applicants from the Fraser Valley or the lower mainland. There is no transportation. The fellows are not going up into that God forsaken north of the ox-cart days.

The WITNESS: I have not any knowledge of any inquiries by veterans in the Fraser Valley to go north. About the middle of January, I think it was, we had about ten inquiries from veterans of the north central part of British Columbia for settlement on provincial lands. That was the area of interest up to that time.

Mr. GREEN: Is it not a fact that now it is impossible for a veteran to settle on provincial land in British Columbia?

The WITNESS: It is with any thought of getting a debt-free grant of \$2,320.

The CHAIRMAN: He can buy land and get settled under section 9.

Mr. GREEN: And it is all reserved.

Mr. HERRIDGE: There is a reserve on that 1,000,000 acres, on all provincial land. What is actually happening is not a matter of veterans settling on provincial lands but of civilians, people coming in from other parts of Canada and making application to purchase land. An order in council is put through releasing that land from the reserve, but there are dozens and dozens of civilians—hundreds of them—purchasing provincial lands and settling on them at the present time while our veterans are waiting for this agreement.

Mr. GREEN: Mr. Murchison, with regard to this Lardeau district—I know that better than the other districts because that is the district where I was born—your arguments against going in there do not apply, as people know what the land is, it has been open for years yet apparently, you will not go into that district.

The WITNESS: We need a road there before there is access.

Mr. GREEN: Oh, well, there is communication by boat and road. It is not as good as it should be, but I say that the minute you take up this scheme in that district the road will be completed. There is a great agitation now to have it completed. It is only a matter of a few miles, but it is not likely to be completed if nobody is going to go in there. I cannot see why you could not go out there and get this matter mended while the legislation is in session. There is reason for haste; and I think Mr. Herridge's motion will be far more effective if it simply said we would recommend that the officials of the Veterans' Land Act go west at once and try to reach an agreement with the provincial government. As Mr. Mutch said, it is only going to make a worse feeling if we pass a resolution condemning the provincial government. I think the provincial government have tried to do their best; they have the interest of the veteran as

much at heart as we have. It may have been wrong—I do not know whether it was—in some ways, but this is the time now to settle the difficulty, and I think the proper thing to do is for Mr. Murchison to go there now while the provincial government is in session and make an arrangement.

Mr. ARCHIBALD: Mr. Cruickshank has brought up this subject—I do not know much about the Lardeau district—but if you go along through the Burns Lake country between Prince George and Smithers and look at the deserted homesteads—there are hundreds of them—and they are the deserted homesteads of veterans of the last war. Now, if you want a piece of land up there you can get it and they will almost give it to you, and it is right on the railroad. If any settler wants to go up and grab a piece of land he can go up and get it. I do not think he would need a great deal of assistance as far as getting into debt is concerned. I do not know about security; but he could get it.

Mr. GREEN: It is under reserve now.

The CHAIRMAN: What about the people who deserted the farms? They might not have a title to them.

Mr. ARCHIBALD: There is land up there in the Grassy Plains area that was held by farmers and they have practically all gone away when the old man has got so old he cannot operate. The younger fellows who are up there are not staying on the land. That country lost about one-third of its population during the war, and those people are not going back to the same extent at the present time except to the logging camps. I am not running the country down, but I say that facilities are not there yet, and if the government goes into such a scheme it has to take the responsibility for settling that land on a large scale and supplying all the facilities of modern civilization which are demanded to-day; otherwise the veterans will not go back. I have been on homesteads.

The CHAIRMAN: May I point this out to Mr. Herridge? You are saying that we should enter into an agreement. Now, we have to take the law as it at present, even though somebody says that the province is going to change it. The law today says that anything we do in British Columbia must be for British Columbia veterans only. Now, to pass a resolution that we should make an agreement when the law stands like that is to practically endorse that stand.

Mr. HERRIDGE: I was going to add, with the permission of my seconder, a rider on that particular matter, that we further recommend that the enlistment qualifications required by the government of British Columbia be cancelled at once.

Mr. SINCLAIR: I do not think much of the suggestion that Mr. Murchison should go out there; there are too many civil servants and not enough M.P's. I believe that the majority of the British Columbia members are as anxious to have that bar removed as we are. We are British Columbia members and we have no sympathy with that restriction. I think if that matter were taken to the lands committee of the British Columbia legislature they would change that. I also think that there is virtue in the idea that instead of taking 1,000,000 acres we should start on 10,000 acres or 15,000 acres at Lardeau or some other communities like that. I think it would help a good deal more than the resolution to have Mr. Murchison go out and deal with the B.C. members.

The CHAIRMAN: I am wondering if it would do any good for us to pass a resolution which really criticizes what they have done.

Mr. TREMBLAY: I have listened to the discussion and as a matter of fact I am inclined to congratulate the B.C. members for their cooperation, but whether Mr. Herridge's resolution passes or not, I feel inclined to pass one suggestion on to Mr. Murchison that he go down to Quebec and see what he can do there.

The WITNESS: I was there last week, sir.





1. Doc  
an  
ym  
-45V21

Canada, Veterans Affairs  
Committee No. 1346

SESSION 1946

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

Friday, April 5, 1946

WITNESSES:

Major-General E. L. M. Burns, D.S.O., O.B.E., M.C., Director of Rehabilitation, and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs;

Colonel P. J. Philpott, O.B.E., M.C., D.C.M., Deputy Director, Auxiliary Services, First Canadian Army.



## REPORTS TO THE HOUSE

---

FRIDAY, April 5, 1946.

The Special Committee on Veterans Affairs begs leave to present the following as a

### SECOND REPORT

Your Committee has considered the provisions of The Veterans' Land Act, 1942, and is of the opinion that certain amendments should be enacted immediately in order that the benefits resulting therefrom may be enjoyed by veterans during the present crop year.

Your Committee, therefore, recommends that the Government give consideration to amending The Veterans' Land Act, 1942, by Order-in-Council to enable the Directors:—

(1) With the approval of the Minister, to enter into a contract under the Act with a soldier settled under the Soldier Settlement Act who has sold his property, or whose property has reverted to the Director and who is still legally indebted to the Director.

(2) To purchase stock and equipment up to the value of \$3,000 for a veteran leasing a farm, or owning his own farm, provided that the amount of such loan does not exceed 40 per cent of the value of the land and buildings, as determined by the Director; and provided further that 20 per cent of the cost of the stock and equipment so purchased is paid by the veteran. It is further suggested that provision be made for a grant of 40 per cent of the amount of the loan on completion of the agreement under conditions similar to those presently provided in the Act; and that should a veteran later wish to purchase land and buildings he be eligible for assistance, with provision for a similar conditional grant of 40 per cent, up to the amount of the difference between the amount of his loan and the sum of \$5,800.

The attention of the Committee has been drawn to an anomaly in present legislation whereby a veteran must forfeit his re-establishment credit to take advantage either of educational benefits or benefits under The Veterans' Land Act, 1942, but can receive university training and still be eligible for assistance under The Veterans' Land Act, 1942. It is, therefore, further recommended that the Government give consideration to the issuance of an Order-in-Council which would render any veteran who has received university training under the Veterans Rehabilitation Act, other than a short course of not more than ten months duration in an agricultural college, known as a "diploma" course, ineligible for benefits under The Veterans' Land Act, 1942.

All of which is respectfully submitted.

WALTER A. TUCKER,  
*Chairman.*



FRIDAY, April 5, 1946.

The Special Committee on Veterans Affairs begs leave to present the following as a

## THIRD REPORT

It has been brought to the attention of the Committee that members of the Women's Royal Naval Service are not members of the Armed Forces of the Crown, although they are entitled to pension and certain other benefits from the Government of the United Kingdom on a basis similar to that enjoyed by women members of the Armed Forces. Members of this Service who were domiciled in Canada prior to enlistment are, therefore, not eligible as members of "His Majesty's Forces other than those raised in Canada" for the benefits of Canadian veteran legislation. Prior to the passing of Order-in-Council P.C. 6398 of the 15th of November, 1945, a similar situation existed in respect to Canadian members of the South African Military Nursing Service.

In order to remove this discrimination, your Committee recommends that the Government give consideration to the introduction of a bill, a draft of which is appended, conferring the benefits of veteran legislation upon Canadian ex-members of these two services.

All of which is respectfully submitted.

WALTER A. TUCKER,  
*Chairman.*

## DRAFT OF A PROPOSED BILL

An Act respecting benefits for persons who served in the Women's Royal Naval Services and the South African Military Nursing Service.

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. This Act may be cited as the Women's Royal Naval Services and the South African Military Nursing Service (Benefits) Act.

2. In this Act, unless the context otherwise requires,

(a) "member" in relation to the Women's Royal Naval Services means a person who

- (i) enrolled in the Women's Royal Naval Service;
- (ii) enrolled in Queen Alexandra's Royal Naval Nursing Service or the reserve therefor;
- (iii) enrolled as a medical or dental practitioner employed with the Medical Branch or Dental Branch of the Royal Navy with naval status for general service;

(b) "Minister" means the Minister of Veterans Affairs.

3. Every person domiciled and resident in Canada who since the tenth day of September, one thousand nine hundred and thirty-nine, served as a member of the Women's Royal Naval Services or as a member of the South African Military Nursing Service outside Canada and who, at the time that such person became a member of either of such services was domiciled in Canada, shall on termination of such service be deemed to be

(a) a "veteran", as defined in

- (i) paragraph (d) of section two of The Veterans' Land Act, 1942, as amended by Chapter 34 of the Statutes of 1945;
- (ii) paragraph (k) of section two of The Veterans Insurance Act;
- (iii) subparagraph (ii) of paragraph (m) of section two of The Veterans Rehabilitation Act, and
- (iv) paragraph (d) of section four of The War Veterans' Allowance Act, 1946,

and as such entitled to all rights, privileges and benefits under those Acts respectively, subject to all conditions as are in such Acts respectively contained.

(b) a person who

- (i) "served in the naval, military or air forces of His Majesty" as that expression is used in section five of The Department of Veterans Affairs Act and as similarly used in subparagraph (i) of paragraph (a) of section two of The Reinstatement in Civil Employment Act, 1942, and as similarly used in section twenty-nine of the Civil Service Act;
- (ii) "served on active service in any of the naval, military or air forces of His Majesty other than those raised in Canada" as that expression is used in section seventeen of The War Service Grants Act, 1944, and as similarly used in sections forty-six A and forty-six B of the Pension Act, and

(iii) falls within the class described as "members of the Canadian naval, military and air forces while in the Canadian Active Service Forces" as that expression is used in paragraph (t) of section four of the Income War Tax Act,

and as such entitled to all rights, privileges and benefits under those Acts respectively, subject to all conditions as are in such Acts respectively contained.

4. The Minister may make such rules and regulations, subject to the approval of the Governor in Council, as may be necessary or advisable to give effect to the provisions of this Act according to their true spirit and intent and for that purpose to supplement such provisions.

5. Order in Council 6938 of the 15th of November, 1945, is revoked.

6. This Act shall be deemed to have come into force this      day of      1946.

---

FRIDAY, April 5, 1946.

The Special Committee on Veterans Affairs begs leave to present the following as a

#### FOURTH REPORT

Your Committee has studied the provisions of the Soldier Settlement Act and has embodied its conclusions to date in a proposed draft bill, a copy of which is appended. Your Committee recommends that the Government give consideration to the introduction of such a bill.

All of which is respectfully submitted.

WALTER A. TUCKER,  
*Chairman.*



## DRAFT OF A PROPOSED BILL TO AMEND THE SOLDIER SETTLEMENT ACT

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The *Soldier Settlement Act*, chapter one hundred and eighty-eight of the Revised Statutes of Canada, 1927, is amended by adding thereto the following sections:—

“76. In any case where

- (a) a person is indebted in respect of any agreement made under this Act;
- (b) a person has not abandoned his land;
- (c) the agreement has not been terminated, rescinded or assigned.
- (d) a person at any time during the war that commenced in September, one thousand nine hundred and thirty-nine
  - (i) was engaged on active service in a naval, military or air force of Canada; or
  - (ii) was engaged on active service in any of His Majesty's forces and at the time of his enlistment therein was ordinarily domiciled or resident in Canada;
- (e) a person either
  - (i) served in a theatre of actual war as designated by the Governor in Council under the authority of the *Pension Act*; or
  - (ii) served only in those parts of Canada that are not so designated by the Governor in Council as a theatre of actual war, for a period of not less than twelve months; or
  - (iii) is by reason of disability incurred as a result of such service in receipt of a pension; and
- (f) a person has been honourably discharged from the force in which he was so engaged or has been permitted honourably to resign or retire therefrom;

the rate of interest that may be charged in respect of any such agreement after the standard date in the year one thousand nine hundred and forty-two or the date of his enlistment in such force, whichever is the earlier, shall be three and one-half per centum per annum.

“77. In any case where a settler has not abandoned his land and his agreement under this Act has not been terminated, rescinded or assigned, the rate of interest that may be charged in respect of any such agreement after the standard date in the year one thousand nine hundred and forty-four shall be three and one-half per centum per annum.”



## MINUTES OF PROCEEDINGS

FRIDAY, April 5, 1946.

The Special Committee on Veterans Affairs met at 11.00 a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Bentley, Brooks, Cockeram, Cruickshank, Drope, Emmerson, Fulton, Green, Halle, Harris (*Grey-Bruce*), Herridge, Kidd, Lennard, MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Power, Quelch, Ross (*Souris*), Sinclair (*Vancouver N.*), Skey, Tucker, White (*Hastings-Peterborough*), Wright.

*In attendance:* Major-General E. L. M. Burns, D.S.O., O.B.E., M.C., Director-General of Rehabilitation and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs; Colonel P. J. Philpott, O.B.E., M.C., D.C.M., Deputy Director, Auxiliary Services, First Canadian Army.

The Committee proceeded to consideration of a proposed draft bill relating to Fire Fighters who served in the United Kingdom and to certain Supervisors in the Auxiliary Services.

General Burns was called and questioned.

Mr. Kidd moved that members of the Red Cross Corps, the St. John Ambulance Brigade and the Merchant Marine be included in the proposed bill.

The Chairman ruled that Mr. Kidd's motion was not in order.

Mr. Bentley appealed the Chairman's ruling.

After discussion, Mr. Bentley withdrew his appeal.

Mr. Sinclair appealed the Chairman's ruling.

The Chairman's ruling was sustained, on division.

Mr. Green moved:

That the Committee recommend that the Supervisors of the Auxiliary Services and Fire Fighters of the Corps of Canadian Fire Fighters despatched overseas be accorded all benefits, pensions, rehabilitation rights and income tax exemption as members of the Armed Forces.

Mr. Mutch moved, in amendment, that the words *and Fire Fighters of the Corps of Canadian Fire Fighters* be deleted.

The question having been put, Mr. Mutch's amendment was negatived, on division.

The question having been put, Mr. Green's motion was resolved in the affirmative, on division.

It was agreed that the Pension Act be reviewed at the next meeting.

At 1.00 o'clock p.m., the Committee adjourned until Tuesday, April 9, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 5, 1946.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, we decided that we would deal today with a bill which has been before us since last October, having to do with firefighters who served in the United Kingdom and certain supervisors in the auxiliary services. Now, that has been a matter which has been pursuant to your recommendation and has been studied by the interdepartmental committee, and they dealt with it in their report which is found at page 23 of the proceedings of this year.

Now, also during the interval between the two sessions representations have been made to this committee which have been under study by the department and they have made certain recommendations to the government in regard to the matter. As you know, I expected there would be a final decision in the matter as to what extent these representations of our department would be accepted by the government yesterday, but owing to the number of divisions in the House and so on, and the meeting with the labour groups, the government was unable to deal with this matter, so that it is a case of this committee dealing with it this morning.

The bill treats the supervisors and the firefighters almost on the same basis, and our department had in mind recommending that the supervisors—at least that was the thought of our department, and it was probably the intent embodied in the order in council of 1940 in regard to supervisors. P.C. 44/1555 reads as follows:—

P.C. 44/1555 provided that supervisors serving with the navy, army and air force shall be deemed while so serving to be members of the force with which they served for all purposes except engaging in combat with the enemy, shall be subject to naval, military or air force law in all respects as though they were officers holding the rank of lieutenant (navy), captain (army), or flight lieutenant (non-flying list), and shall be entitled to the pay and allowances, pensions and all other benefits (except income tax benefits) pertaining to such rank as from the date on which the supervisor embarked for service outside Canada.

Now, when that was passed, of course our rehabilitation program was not in force, and the question arose as to whether they were entitled to benefits under that program. The matter was referred to the Justice Department and I understand the ruling was made that the controlling words were “while so serving” and that meant that after they were discharged they were not entitled to anything except what they were given by order in council; that the ordinary provisions which apply to members of the armed services did not apply to them under the order in council. We placed the argument before the government that when the order in council said “pay and allowances, pensions and all other benefits” one of the benefits of serving was that they earned certain rights which might be given to armed service personnel afterwards, and when it included pensions it showed definitely that it must have been the intention of the order in council, because a person does not get a pension until after he

serves. And so that argument has been presented. As I see it, that was our presentation. It specifically exempted income tax benefits, the reason being given that unless a person is a full-fledged member of the armed services he should not get quite the same consideration as a person who is a full-fledged member, and apparently that is why the income tax benefits were held back in 1944. We felt in making the submission that perhaps we should make at least that much of a concession to that argument that a person who was not a full-fledged member of the armed forces should not get precisely the same benefits as a man who was, and if the government would concede all the other benefits to those who got overseas—the supervisors who got overseas—we should not insist or press the benefits under the Income Tax Act; and that is the situation, and that is the way it comes before you now.

Now, this is a bill which as you know gives these rights pretty well on a restricted basis, in many cases only to those who draw a pension, and the matter is open for discussion this morning as to whether we shall consider the bill or whether there would be an endorsement of the representation of our department to the government that these men should get everything except income tax, or whatever the committee wishes to decide on the matter. I will leave that to the committee.

Mr. LENNARD: Mr. Chairman, I do not see why these people should not be exempt from income tax. I see no reason at all. It is quite all right to say that because they were not regular members of the armed forces they should not be exempt, but the facts are—and there is no reflection on them—a great many of these chaps serving overseas were in very dangerous positions and they were casualties, and they went through all the mud and slush as did those in the armed services. I do not see why they should not be exempt from income tax.

The CHAIRMAN: I should say there is some slight exemption; I think 20 per cent is now provided in the order in council—but not a complete exemption.

Mr. SINCLAIR: You are speaking of supervisors, not firefighters?

Mr. LENNARD: Yes, the firefighters should surely get this.

Mr. McKAY: Have you any figures with regard to casualties suffered by firefighters?

The CHAIRMAN: Yes, with regard to the firefighters three were killed and five were wounded and three were seriously injured.

Mr. LENNARD: I was asked the question whether I meant the firefighters as well; I certainly do. As a matter of fact, as far as the firefighters are concerned the government never even collected from their pay at any time when they were overseas, so it was apparently somebody's intention some place that they were not to be taxed.

Mr. CRUICKSHANK: Will they receive the same opportunities in the civil service as the ordinary soldier?

The CHAIRMAN: If this goes through, the supervisors would.

Mr. CRUICKSHANK: That is what I had in mind. Will the merchant marine get everything that these fellows will be getting every time?

The CHAIRMAN: With regard to the merchant marine, the situation is that they served under conditions of great danger; probably as hazardous a service as any other during the war was that of the merchant marine. That was recognized through different bonuses and grants and so on. However, there may be many who certainly thought they would have to be re-established, and it is possible that this committee might want to recommend something in regard to them, something that would be done in addition to what has already been done. However, they were a civilian group, they were people working in the



merchant marine before the war in many cases and they will be doing this work after the war. That question is a separate matter; they are entirely a civilian group.

MR. CRUICKSHANK: I want to be clear on this. I know a man—he is now in my riding—who was adrift for twelve days on the Atlantic after being torpedoed, but he cannot get in the civil service under the preference because he is not given credit for overseas service. He was floating around in the “drink” for twelve days, but he cannot get the civil service preference, and I am asked to vote to give some fellow who distributed doughnuts in London priority in the civil service over such a man. Nonsense.

THE CHAIRMAN: I would like to say that the question of what is being done, if anything, in regard to the merchant marine is under study, they have been under the wing more or less of the Department of Transport. It has been suggested to them that they take up their problem in the first instance with the Department of Transport, and then at the time this committee decides to hear about this matter we will be able to hear from the people who wish to make representations on their behalf and also from the Department of Transport as to what they think about the matter. Mr. Cruickshank is right in saying these things have a bearing on one another. For instance, if we do one thing for one group we have to consider what we must do in fairness to another group, and we have also to consider whether we are going to maintain this principle of whether we wish to treat people who did not wear the King's uniform quite as good as we treat those who did. If we are going to maintain that principle in everything we do we have to bear in mind the effect of everything that is decided upon.

MR. CRUICKSHANK: Did these men wear the King's uniform—the National Council of the Y.M.C.A.? I am not knocking these people, but I cannot see where any Y. supervisor wore the King's uniform any more than these people did. He did not get disciplined as a soldier—well, he was under that discipline, probably, to a certain extent; but they should not need discipline in the Y.M.C.A. Take the case of a man who was a stoker in the merchant marine. I do not think we should be asked to consider them in any different light from any other man who actually helped to win the war.

THE CHAIRMAN: I wonder whether they did wear the King's uniform or not. We have General Burns with us and he might make an observation.

GENERAL BURNS: As I understand the matter they wear a uniform but just as a convenience. They did not wear the badges of rank and consequently they were not, strictly speaking, in uniform.

MR. KIDD: Last fall I said in this committee when this bill was drawn up that it should include the girls who served in the Red Cross. These girls wore uniforms. They served in hospitals. I understand they were not on full pay but got an honorarium and a clothing allowance, very much less. Can you tell us why they are not included in this bill? These girls have since been demobilized; they are now going back to schools and to universities, and I say that some consideration should be shown them. I think it was the understanding of the committee last fall that they should receive consideration, and the matter was brought up once or twice. I notice that they are not referred to in clause 6 of this bill.

THE CHAIRMAN: As regards that, the interdepartmental committee studied the question. Of course, the first to be considered were the V.A.D.'s, none of whom got overseas. As regards people who were sent overseas by the Red Cross, according to the results of investigation they served in various categories, and the finding of the interdepartmental committee was as follows:—

The personnel herein considered are those members of the Canadian Red Cross Society and St. John Ambulance Brigade who proceeded

overseas at the expense of, and were detailed for duty as members of, the Red Cross or St. John Ambulance organizations. They received no remuneration from either the Canadian or British governments. The organization paid an allowance of \$30 a month to cover incidental expenses. Generally, the organization provided their quarters and rations and paid for medical and dental services when provided in Canadian military hospitals. 610 members of the Canadian Red Cross Corps and 220 members of the St. John Ambulance Brigade proceeded overseas as assistants to nurses in civilian hospitals in England, ambulance drivers, welfare workers, cooks and miscellaneous. Several of the ambulance drivers served in Belgium and France and the welfare officers served in the European and Mediterranean theatres.

The terms of engagement varied—some signed on for the duration plus six months, some for a lesser term, and in some cases there was no agreement. At first the personnel were not covered by insurance but about the year 1944 the organization concerned took out policies for casualty insurance in the amount of \$4,000 per individual.

The Canadian Red Cross Society suggests that their personnel be granted all the benefits accruing to former members of the forces. No representations were received from the St. John Ambulance Association.

Now the reason why there is nothing in the bill concerning these people is that they did not serve under the British government or the Canadian government; they served in various civilian occupations, as did many other civilians in England, and they served under varying circumstances: some worked as cooks, some as helpers in hospitals, some drove ambulances; they worked under different terms of service; and it would be a very difficult thing to say that these people who went over and served in civilian occupations should be treated differently from any other Canadian civilian who was in England and helped in the war effort. That was the thought of our department. However, it was realized that this was a matter which could probably be considered by this committee, and as I understand, it was the recommendation of the steering committee that we would deal with the supervisors and firefighters today and if possible dispose of that matter and go on with the Pensions Act, and then come back to civilian groups later on. There is a great deal to be done in regard to legislation specifically for the soldiers, sailors and airmen. I would say again that we should not begin to spend days and days on these small groups of civilians. The idea was to deal with the firefighters and supervisors because we thought we could probably dispose of their case in one day, but I think the soldiers, sailors and airmen should get the first consideration from a committee of veterans.

Mr. SINCLAIR: May I say that I believe that the St. John Ambulance and Red Cross personnel who served overseas are just as worthy of consideration as are supervisors and firefighters. The Chairman mentioned the fact that they are supposed to serve as civilians. If you investigate the St. John Ambulance girls you will find that almost every one of them served in a British military hospital as orderlies or cooks or drivers or what not, the same as the girls in the armed services of Canada, the Wrens and the C.W.A.C's, etc.; when they went overseas they did exactly the same thing; they were clerks and typists, and certainly from that point of view there is not much difference.

The CHAIRMAN: On that point, would you say that persons like the C.W.A.C's and the Wrens are not in a different position from a person who works with civilians?

Mr. SINCLAIR: As a matter of fact, I went west with a group of St. John Ambulance girls who came back from overseas last fall, I was in the same train with them and I heard their story. I asked these girls why they did not join



the C.W.A.C.'s and the Wrens or the air force, and they gave me a very sensible answer, and two girls who had worked in the Unemployment Insurance Commission said that had they joined the C.W.A.C's or the Wrens or the air force they would have been put in the paymaster's office in Vancouver and that would have been their war service, whereas in the St. John Ambulance Association they got about \$30 a month and served overseas. They wanted to go overseas. As far as the firefighters are concerned, throughout their entire service they performed their duties as firefighters and engaged in civilian occupation. They were not there for the blitz. It was July 1, 1942, when they had their first training in London and it was not until the buzz bombs started to drop that they did anything which could not be called a civilian occupation. When we talk about taking up the case of these girls later, these girls of the Red Cross and St. John Ambulance Association are the only girls mentioned, and they went overseas and served under just as hazardous conditions as the firefighters and the people that my good friend Mr. Cruickshank says handed out doughnuts in London. I think these girls should be included in this bill if only for the reason that including them now will save us time later on.

Mr. BENTLEY: Mr. Chairman, I believe that the merchant marine should be included in these groups. It seems to me very clear that the fact that this bill has come before us without these people being included indicates that there is a certain amount of, shall we say, official opposition to including them. Obviously, if that is the case we should include these men and go on with the Pension Act. These people who are mentioned in this bill are going to come under the various Acts, then we are going to have a long fight with treasury and the authorities to get these other people included. I believe with Mr. Sinclair that we will save a lot of time and we want to include all these people in these benefits and put them in the bill, and then we can go ahead with the Pension Act.

Mr. MUTCH: The Chairman has made an announcement with regard to the Red Cross. The headquarters of the Red Cross pressed their point and we have a recommendation to bring the matter to earth—that the Red Cross and the St. John Ambulance Association—

Mr. CRUICKSHANK: Including the merchant marine.

Mr. MUTCH: —the Red Cross, St. John Ambulance Association and the merchant marine be included in clause 6 and in clause 2 as well.

Mr. BAKER: I do not want to quarrel with anybody, and I am just as much interested in the merchant marine as is anybody else here, naturally, coming from Nova Scotia, and I want them to be included, but I think there is a better chance of having this done if they are treated separately. I should like to see the armed services who wore the King's uniform distinctly separated from those who did not wear the uniform. Now, you may think that that will cause a waste of time, but I believe it will make matters much simpler in the long run. Draw a definite line between the people in the armed services and those who are not in the armed services. I am not suggesting that they should be included in a later bill, but I would like to see them separated, not lumped together in the one bill, because I think there should be a distinction between the two groups.

Mr. QUELCH: A lot of stress has been laid upon the fact that we should treat people wearing the King's uniform differently from those who do not. On the other hand, we have to face the fact that many of those people included in this bill actually saw more service than men wearing the King's uniform. I will give you proof of that. What about the personnel of the N.R.M.A. who never enlisted for overseas service and never left Canada, and yet are given certain benefits while some of these people who saw overseas service and who



were under enemy action are debarred from these services? Take the fire-fighters. They enlisted for overseas service to fight fires caused by enemy action. The time they had to go out was when bombing raids were on and explosives were being dropped. They faced real action. And yet the personnel of the N.R.M.A., who did not volunteer at all and never left the shores of Canada, are allowed to come under the Veterans' Land Act. Do you claim that the firefighter who went overseas to fight enemy action should be debarred from getting the same benefits as men of the N.R.M.A.? They wore the King's uniform. There is no justice in discriminating between those who wore the uniform and those who did not; the benefits should be based upon the amount of service and hazards that a man saw.

Mr. ARCHIBALD: On the same basis could we not include the munitions plant workers?

Mr. QUELCH: They never went overseas.

Mr. ARCHIBALD: Separating those who wore the King's uniform from those who did not is old time thinking. This business of wearing the King's uniform and thinking it is something distinct is a hangover from the feudal era. I was a seaman in the marine section of the air force puttering around in an oversize rowboat, and when I think and compare my action alongside that of some poor sailor in some old rust-bucket sailing all over the ocean, I can say I must have used my head in getting into the air force from the standpoint of obtaining benefits, or the standpoint of living conditions. It is an absolute crime if you leave these men out of consideration.

Mr. MOORE: I think I should say a word in connection with the merchant marine because I happened to be in the navy. I think the men in the merchant marine should receive every consideration that any of those in the other services receive. The mere fact that you could transfer from the navy to the merchant marine in the war years is proof that service in the merchant marine was considered equally as important as was that in any of the other services. I think they should not only receive all the gratuity benefits accruing to the service men but that they should receive all the other benefits as well.

Mr. BAKER: Mr. Chairman, my remarks were possibly misunderstood. I want to see the merchant marine included, and for that reason I want to see the thing separated and have it brought up as a civilian group. I think there is a better chance of having the thing go through and be properly handled in that way. My point is that we should first deal with veterans of the armed services, and I am including the auxiliary services with that; get that done and have it down on your charter, and then deal with these other people separately. I am not trying to exclude them. I want them included. But there has been, I think, possibly some misunderstanding of my remarks.

Mr. CRUICKSHANK: I think if they are left out now, they will not be included. Yesterday we were told we must change Dominion Day to Canada Day immediately or the world was going to come to an end. We had to do it yesterday.

An Hon. MEMBER: Oh, no.

Mr. CRUICKSHANK: Certainly we did. If it was important to rush that through yesterday, why in the name of goodness not put the merchant marine in now? If we do not, I know what is going to happen. It is going to be sidetracked and probably the merchant marine will never get in.

Mr. MCKAY: Mr. Chairman, what assurance have we that the case of the merchant marine will come up this session?

An hon. MEMBER: None at all.

Mr. MCKAY: Then they should be included.

The CHAIRMAN: Of course, there is no assurance that anything will be concluded this session. Nobody can guarantee that. If we do not deal in an orderly way with things, item by item, and if there are some members who are always going to say "I will not pass this unless I am absolutely guaranteed that something else is going to go through, and unless I am guaranteed that the part of the program or the particular part of the program in which I am specifically interested is going to go through, I am not going to let this go through," we will not get anything through. I think that must be clear to everybody.

I pointed out at the start of the proceedings that there would have to be about 14 bills go through this House to embody this program in legislation. You say to me, "We are not going to pass this because we have not got the program in regard to merchant seamen in front of us." Of course, if that is the will of the committee, we should drop the whole thing and proceed with the next item of business.

Mr. McKAY: I do not think anybody has said that, Mr. Chairman.

The CHAIRMAN: I would point this out to you. The merchant seamen have been dealt with from time to time by war risk bonuses and dangerous water bonuses, and they have been dealt with something along the same line as the merchant marine of Great Britain has been dealt with. They are engaged in a civilian occupation and they were given extra pay for their extra hazardous work. I do not say that covers it, and for that reason they were given pensions because they were engaged in hazardous work. Is it to be said by this committee on veterans affairs, dealing with the problems of veterans, that a man who can quit his job any time in the merchant marine—

Mr. SINCLAIR: They could not.

The CHAIRMAN: Well, not after they signed on at the end of the war; but they could at the start of the war and up until 1944 when they signed on at manning pool. They were not under military discipline. They were drawing civilian rates of pay. Is it to be said by a committee on veterans affairs that all the rights given to the serving soldier are going to be given to any civilian branch, no matter what branch they are? Should they not be considered separately in the light of the special consideration which they have received from time to time? Should it not be done in an orderly way? Should we not get the officials of the Department of Transport to come before us and tell us exactly the terms of service of the merchant seamen, what they have been given from time to time, all about them, what they think they should get, what the merchant seamen get in other parts of the world, and deal with that in an orderly way, instead of suggesting that they be thrown in and given all the benefits of a serving soldier? It seems to me, if we are going to make progress at all, that we must take these things item by item and deal with them more or less on their merits. As for myself, I think in the light of the decision of the steering committee, which was ratified by this committee, to deal with the problem of supervisors and fire fighters, the amendment which seeks to bring into this the seamen is out of order, and I propose to so rule it. We are dealing today with the supervisors and fire fighters.

Mr. SINCLAIR: Just a minute, Mr. Chairman.

The CHAIRMAN: If there is an appeal from my ruling, let it be taken and let us proceed and get on with the business.

Mr. MUTCH: Mr. Chairman, I am one of those hangovers from the feudal era who believe that, in a committee such as this, our primary job is to provide for the future of those who served in the armed forces of the country. I am not averse to making explorations into any kind of legislation which will be beneficial to any Canadian at the right time and in the proper place. But I am one of those who do not think this is the time or the place. The only reason that I,

as an individual, was prepared to fall in with the idea of introducing this particular bill at this particular time was two-fold. The first reason is this, that these supervisors who were enlisted under conditions similar to, if not identical with, those who served in the armed forces, were given a contract by order in council expressly saying that they would be treated if, as and when they went, the same as the armed forces were. To me this bill simply implements the contract which was made between these auxiliary service personnel and the government of the day. I am one of those who think that governments who make commitments on behalf of the people should keep those commitments. I think that for the government, or anyone, to try to argue around those orders in council is specious reasoning and an injustice, and that the carrying out of this is simply the carrying out of something which is plain ordinary justice. I am not arguing that these people were serving soldiers in the ordinary sense of the word. But they have a special and specific claim which is taken care of in this legislation.

Then the second group are the fire fighters, and in our meetings last year we were all agreed that the fire fighters, as such, were in a preferred group. Their pay was approximating the pay of the armed services. They went out from their own country to perform a special duty, a hazardous duty, in a country other than their own. They were not given a contractual commitment by order in council, but all of us know that they were encouraged by responsible officials to believe that they would be treated on a basis similar to the one applied to the serving soldiers. Consequently, in view of that, I was prepared to agree to the introduction of this particular bit of legislation, in order to get what I consider to be commitments for these two out of the way at this time, even though there is yet a great deal to do for those persons who fought in our armed services themselves. I wish, as far as I am concerned, the committee would take that point of view.

An Hon. MEMBER: Make it snappy.

Mr. Mutch: You challenge me sometimes. Some of the members of the committee know that I can seldom take a dare. However, that is my point of view. And as a friend said in the House yesterday, nobody down there can make me sit down, but my own good judgment, since I have finished, tells me to do so.

Mr. Brooks: Mr. Chairman, Mr. Mutch has, as he has said, the good sense to sit down. I thought this was one time his good sense was not going to catch up with him. As a member of the steering committee I feel that I must say I back the chairman in the ideas that he has presented to the committee. We considered these matters in the steering committee and we thought that this matter could be handled in a more orderly manner if this bill were brought in asitis. As far as the merchant marines, the Red Cross and these others are concerned, we discussed that in the steering committee and I understood from you, Mr. Chairman, that the matter would receive every consideration in this committee.

The CHAIRMAN: Yes.

Mr. Brooks: And it was only on that consideration that we agreed that this bill should come first.

The CHAIRMAN: That is correct.

Mr. Brooks: And unless it was guaranteed, I for one—and I know the other members of the steering committee felt likewise—would never have agreed to this bill coming in as it has. But I think we can do far better work if we dispose of this bill, and save time, and that we will have time to deal with other matters.

I for one would not stand for this committee not dealing with the merchant marine and the Red Cross. I agree entirely with what the other members have



said here, that these people deserve every consideration; and I think the sentiment of this committee is to give them every consideration. Frankly, I should like to see us go on with this bill, get through with it and get on with some other work.

Mr. BENTLEY: Mr. Chairman, I do not want to prolong this thing, and I believe we can bring it to a head very quickly. I am going to accept the chairman's suggestion and challenge his ruling. If it is upheld, we will go ahead. If it is not, we will clear the air.

Mr. SINCLAIR: I am agreeing with you, Mr. Chairman, as far as the merchant marine is concerned. I should like to say this. Some of the members are showing some heat, but I think it would be better if the chairman would not show heat in these matters. The merchant marine, as you say, are in a different category.

I was the one who moved an amendment to the steering committee's report that we do not consider these special groups until we were all through with the armed services. But now that this bill has been brought in at this stage, I do feel that those who have not been given special consideration—as you have pointed out that the merchant marine have—should be included, and that these two groups, the Red Cross girls and the St. John Ambulance girls should be included in this bill at this time. I am quite willing to accept the report of the steering committee that it is not now the proper time to bring them in. But I want to draw the attention of the committee to the fact that this government, during the war, did recognize that these girls were part of the forces, because P.C. 182/8990, of the 29th November, 1944, added a section defining the word "forces", Section (viii) which reads as follows:

Nursing members of the Voluntary Aid Detachments serving with the Canadian Army, as authorized by order in council of April 30, 1942, P.C. 49/3546, and other members of the Voluntary Aid Detachments who may be assigned to duty in connection with hospitals in Great Britain.

The CHAIRMAN: What was that order in council?

Mr. SINCLAIR: P.C. 182/8990, and three more. I will give you the whole thing when I am through. P.C. 9/8855 referred to grants of leave to members of the civil service for the purpose of serving overseas. I had a little difficulty in getting two of them reinstated until the government's attention was drawn to this order. They have been reinstated in their jobs just as soon as they have the overseas preference. Then there is order in council P.C. 18/5610 and P.C. 49/3546. On four different occasions, by various orders in council, the government had given some recognition that these girls had served in the forces.

Mr. MERRITT: That was the point I was going to raise, Mr. Chairman. You have given some explanation why the merchant seamen should be treated separately from the fire fighters and supervisors and you say there were different circumstances, and that we should have the Department of Transport officials here. Will you rise and tell us the difference between the Red Cross girls and the St. John Ambulance girls which put them in a separate category and tell us why they should be treated differently?

The CHAIRMAN: The reason is this. There is the matter of the dress they wore. You will remember that yesterday we dealt with people who went into the W.R.N.S. and people who went into the South African Military Nursing Service and we recommended a special bill for them because they engaged in a special line of service. In regard to those who served as civilians entirely or were working for a civilian organization overseas, like the Red Cross and the St. John Ambulance Brigade, some of them worked in hospitals, some as ambulance drivers and so on. That is a matter, it seems to me again, for this

committee if it wishes to recommend it by a special bill, bearing in mind the rates of pay they get, the other terms of their service and the kind of service they rendered overseas and so on, in order to meet their special circumstances. In the one case, in regard to the supervisors, I am inclined to think they did wear the King's uniform, but they did not carry the badge of rank.

Mr. BROOKS: It was the same colour of cloth.

The CHAIRMAN: They were under military law and they were under military discipline.

Mr. MUTCH: And pay.

The CHAIRMAN: They were taken prisoner and so on, and they were working for the government. The same with the fire fighters. These girls were not working for the government. It seems to me that you should, if you are going to deal with them in a reasonable way, deal with them by separate bills, as we have done with the South African nurses and the W.R.N.S. We have recommended that bill to the House.

Mr. HARRIS: Have you got a bill ready or recommendations ready with regard to these people?

The CHAIRMAN: The recommendation which I was going to suggest to the committee, which goes farther than the present bill, was, first in regard to supervisors, something along this line: a bill providing that every supervisor shall, upon discharge, be deemed to have been engaged in service as a member of the forces, as that expression is used in the War Service Grants Act, 1944, and by reason thereof entitled to all rights, privileges and benefits under the Department of Veterans Affairs Act; the War Service Grants Act, 1944; the Veterans' Insurance Act, 1944; the Veterans' Land Act, 1942; the War Veterans' Allowance Act, 1946; the Veterans' Rehabilitation Act; the Pension Act; the Reinstatement in Civil Employment Act, 1942; the Civil Service Act and subject to all the conditions as are in such Acts contained.

That would give the supervisors the same rights, except in regard to income tax, as if they served in the armed services; and in regard to income tax, as covered in the Income Tax Act, I think they get a 20 per cent exemption or something of the sort while they were overseas.

That is my humble suggestion to this committee, that we endorse that proposition; and if it is endorsed by the committee a bill could be drawn, subject to your wishes, and recommended to the government.

Mr. QUELCH: What about the fire fighters? You did not mention them.

The CHAIRMAN: In regard to the fire fighters, if it is not confusing the thing by bringing them in now, the suggestion that we had in mind there was that the fire fighters, in addition to the rights they have got now and which we would ratify by the bill, was this. The suggestion that I had in mind making to this committee—and it is done with a great deal of trepidation, I may say, because it has not been dealt with by the government, as I have told you already—is that this committee endorse giving them the right to vocational training and the rights under the Unemployment Insurance Act. The reason why that was not given in the first place was this. In 1944, in the spring, when the committee was dealing with this thing, they understood that the fire fighters were going to carry on in their own occupation and that it was just a matter of going and fighting fires in London or in England instead of fighting fires in Canada. It was on that basis, and they said, "We will give these rights to those who are injured, those who draw a pension, the rights of rehabilitation, because they cannot possibly go back to fire fighting." But it was found afterwards that only 35 per cent of the fire fighters were actually fire fighters by profession and 65 per cent came from other occupations. It was the thought of our department that we should therefore accept some responsibility in regard to rehabilitating those fire



fighters. We took them away and sent them away for something over two years, on the average, and we felt we should say that they should have the right that we give to the armed services personnel under the Unemployment Insurance Act, which means that if they go into an insurable employment and work there for 15 weeks, then they get their rights under the Unemployment Insurance Act; and that they should have all the rights in regard to vocational training in order to get re-established. It was felt if we went any further in giving them rights, we might be met with the demand that every other person who engaged in civilian occupation during the war should have practically the same rights as those who engaged in the armed services. That was the thought behind the suggestion, that those who served in the fire fighters, in addition to what they get to-day, should get these benefits.

Probably I should, just to make the statement complete—and with your permission I will do so—indicate to you what the fire fighters are getting to-day. They are getting the same clothing allowance as those in the armed forces; the same transportation on discharge; the rehabilitation grant. They get it if they went overseas. They get reinstatement in civil employment the same as the armed services. They get free transportation to Canada of wife and children, the same as the armed services; pensions the same as the armed services; medical treatment, on conditions related to service, the same as the armed services. If it is not related to service at all, there is no provision. Veterans' insurance, members who served overseas. Veterans' Land Act: that goes to the disability pensioners only. Unemployment credit; there is none. My suggestion to you is that we extend to them the unemployment insurance credits. Vocational and technical training, only to disability pensioners. My suggestion to you is that we give it to all of them. University training, none. At first, some of our departments were inclined to argue that it should be given. The answer that was made to us, and which I laid before the committee here, was this. Vocational training means the expenditure of such a large sum of money on behalf of the state that it was felt that it should be reserved to the fighting men and should not be given to any civilian group whatsoever. War service gratuity, \$15 for each 30 days' service overseas.

Then these are the things they do not get at all: no re-establishment credit, no out of work benefits; no temporary incapacity allowance, no awaiting returns, no Civil Service preference; they are not under the War Veterans Allowance Act. As to decorations, it says none here. Arrangements are being made, I think, in regard to that. As to exemption from income tax, it says in the table here, none; but representations have been made to the government and the government is actually giving very active consideration to something being done in regard to that income tax question, to put them on the same basis at least as the people who were supervisors; at least to give them enough exemption that practically none of them will pay anything.

That is the situation in regard to the fire fighters. As I say, the suggestion which our department has been bringing forward to the government is, that, in addition to these benefits, they be given the right of vocational training with the allowances, and the protection under the Unemployment Insurance Act. That is in regard to the fire fighters. In regard to the supervisors, all the rights except in regard to income tax.

It may be that some members of the committee might wish to uphold the bill as it is today, which gives a lot of these rights only to pensioners. It may be that some members of the committee might be willing to go as far as our department finally decided it would recommend, or it may be that the committee will wish to go further. That, I think, is the situation. I suggested that we deal shortly with this situation, what do we want to do for the supervisors, then what do we want to do for the fire fighters, and



then proceed with the agenda. I ruled that any attempts to bring any other items other than what was laid out in the agenda and approved by this committee was out of order. There has been an appeal from my ruling and I ask now if the committee is going to sustain my ruling, that we deal, as passed by the committee, with the recommendations on the agenda. I would ask for those that uphold the chairman's ruling on that, unless the appeal is withdrawn. I would ask them to indicate their wishes, if Mr. Bentley presses his appeal. Do you wish to press your appeal, Mr. Bentley?

Mr. BENTLEY: Well, Mr. Chairman, when I made the appeal, I was hoping it would be done right away, and if your ruling was upheld we would get right on with the business. But the way it has gone on, there has been a lot of discussion since then, and I do not care whether the appeal stands or not.

Mr. CRUICKSHANK: If there should be another war, everybody will want to be in the civilian army and be the fighting men.

Mr. PEARKES: There was one question I wished to ask, Mr. Chairman. Why is this limited only to supervisors in these auxiliary services? The supervisors had helpers. Some of these helpers were military and some of these helpers were civilians. They were looked after, I believe, in P.C. 44/1555. The helpers were included. Why are they not included in this? The supervisors corresponded to the officers of the auxiliary service and the helpers corresponded to the ordinary men.

The CHAIRMAN: The reason for that was that if they were helpers in the armed services they are already protected, of course. The civilian helpers overseas were Englishmen and Scotchmen, English girls and Scotch girls and so on; and we figured that, being engaged in civilian work, it again was a question whether or not we should undertake to do something for Englishmen who worked helping the Y.M.C.A. supervisors in some town in England. It was felt by our department that we should not undertake anything in regard to those civilian helpers.

Mr. CRUICKSHANK: I am not quite clear on what "supervisor" means. I am not arguing with you this time. I am very interested in this uniform business. Does this cover those girls who went over with concert parties? They were in the King's uniform. Sometimes they appeared, maybe, with no uniform, but they officially wore a uniform. I have seen their pictures. If you are going to give it to everybody in uniform, are they included? Because I read in the paper that they went over to Germany, that they were up in the front line; that is, if there were any in the front line. As I say, in this war they were mostly civilians.

Mr. SINCLAIR: Mr. Chairman, does your ruling mean that Mr. Kidd's motion, which I seconded, with regard to the Red Cross girls and the St. John Ambulance girls, has been thrown out?

The CHAIRMAN: It means this, Mr. Sinclair, that the decision of this committee was that we deal with the supervisors and fire fighters, then deal with the Pension Act, and then bring in a further recommendation to this committee, to be decided on, as to what order we will deal with these other items of business. As you know, on the steering committee there is no government majority at all; and anyway, whatever it recommends is subject to the will of this committee. If it is the desire of this committee to put off the Pension Act, the War Veterans' Allowance Act and to immediately begin deciding the question of merchant seamen and fire fighters, that is all right. If that is the will of this committee, it can so indicate at the end of this meeting. You are entitled to decide in what order you are going to consider these matters. There is nobody controlling the committee. You can decide yourselves as to the order. But you appointed a steering committee to try to make recommendations, and that

was its recommendation which you accepted. It is my duty as chairman to try to enforce the rules that you lay down for me; and that is all I am trying to do, as best I can.

Mr. SINCLAIR: I have not heard anything which would stop the Red Cross girls and the St. John Ambulance girls from being included in this bill and getting through this morning. I should like to appeal from your ruling, Mr. Chairman, because I was the seconder of that motion.

The CHAIRMAN: You heard my ruling that we should deal with the matter before us.

Mr. KIDD: Are you going to put the ruling and the appeal?

The CHAIRMAN: We want to get it disposed of.

Mr. KIDD: There is a motion before the chair.

An Hon MEMBER: It has been ruled out of order.

Mr. KIDD: Oh, no.

An Hon. MEMBER: Yes.

Mr. SINCLAIR: That is why I moved to appeal.

Mr. KIDD: I will appeal the ruling on this ground.

An Hon. MEMBER: It is already appealed.

Mr. HARRIS: I asked a long time ago, but I guess you did not hear me, Mr. Chairman, if you had a recommendation ready with respect to the Red Cross girls and the St. John Ambulance girls?

The CHAIRMAN: No.

Mr. HARRIS: Do we expect to have one before we finish?

The CHAIRMAN: We are working on it as diligently as it is possible for human beings to work.

Mr. HARRIS: In other words, you are not rejecting them?

Mr. CHAIRMAN: No. I have said that over and over again.

Mr. MUTCH: They are in the same position as the nurses.

Mr. HARRIS: I have not taken any time of the committee up to the present time at all, and I am quite in agreement with everything that has been said about the Red Cross girls and the St. John Ambulance girls. I am also in agreement as to discussing the merchant marine separately. I am prepared to support your ruling, with the clear understanding, Mr. Chairman, that we have the opportunity to include the Red Cross girls in this bill at a later date.

Mr. KIDD: As mover of the motion, gentlemen, here is the situation that has developed. The motion that I put before this committee in dealing with three matters that came up last time, in October and November. Here we are, five months later, and no progress has been made as regards the Red Cross girls. If we are going to leave everything in the hands of the Chair or the steering committee what are our members coming here to deal with?

The CHAIRMAN: That is not correct. The steering committee decided on what was approved by this committee.

Mr. KIDD: I know that quite well, but I should be able to make an amendment or a motion at any time. We want to reserve our rights on that.

Some Hon MEMBERS: Question.

Mr. QUELCH: In view of the fact that the steering committee brought in that recommendation and that that recommendation was endorsed by this committee, I think we will make progress if we follow this procedure. If one meeting decides one thing and another meeting wants to change what was decided before and depart from the decision we are not going to make very much progress.

Some Hon. MEMBERS: Question.

The CHAIRMAN: All those in favour of the chairman's ruling being sustained raise their hands.

Carried.

Mr. GREEN: Mr. Chairman, I presume we are now in order to go on with the question that was before the committee, it is my understanding that the Department of Veterans' Affairs is recommending to the cabinet that the representatives of the four organizations—the Canadian Legion War Services, National Council of the Y.M.C.A., Knights of Columbus Canadian Army Huts, Salvation Army Canadian War Services—be given full rights with the exception of income tax. With regard to the firefighters, the department are not ready to go that far. They will only give them a certain extension of privileges, but will not go the whole way. I think there is one point that should be cleared up with regard to the representations of these organizations—I am reminded of a remark by my good friend Mr. Cruickshank that they were all in London passing out doughnuts—

Mr. CRUICKSHANK: I did not say that. Do not put words into my mouth. I said some of them were there. I saw them in the front line last time when you fellows were away behind. Not all.

Mr. GREEN: I was in the front line too.

Mr. CRUICKSHANK: I know you were in a good brigade; I give you credit for that.

Mr. SINCLAIR: Are we fighting the war over again?

Mr. GREEN: I have here a letter from one of those men who served with the auxiliary services, and in part he says:—

In December, 1942, I joined the Canadian Y.M.C.A. War Services, and went overseas as a supervisor in June, 1943, at which time I was taken on army strength and pay. From October, 1943, until my return to Canada in January, 1946, I was at all times attached to the 5th Canadian Anti Tank Regiment, R.C.A., 4th Canadian Armoured Division. At all times I, and my military helpers, were an integral part of the 5th Canadian Anti Tank Regiment, and saw service with the said regiment in England, Belgium, France, Holland and Germany. In January, 1945, I was slightly wounded by debris caused by a V-1, which occurred while the unit was holding part of the line on the Maas River.

For service in the army I received the Defence Ribbon, 1939-1945 Star, France and Germany Star, and the Voluntary Medal with clasp. In recognition of my work and that of my assistants, I received Field Marshall Viscount Montgomery's Certificate of Merit.

Subsequent to the cessation of hostilities, the Department of National Defence refused to release me on the grounds that I was key personnel, and that supervisors were required to look after the welfare of army personnel, and to maintain their morale.

And then he goes on to point out how he had to pay an income tax—I will not weary you with the list—but I think it is a very unfair situation. He goes on:—

I do not know why I should pay for the privilege of serving overseas, and for assuming the responsibilities of officers, especially when at all times I was in danger areas with all ranks, and was subject to the risks of enemy fire, V-1's, V-2's, and enemy air raids. To quote the Col. of our regiment:—

Who, by the way, is one of our members of this committee.

The strength of the regiment consisted of approximately 840 ranks. This number included the services attached, such as: the medical officer,



pay master, dental officer, padre, Y.M.C.A. supervisor, technical officer, signal officer, Royal Canadian Electrical and Mechanical Engineer's officer; in each case with various other ranks. Much credit is due these attached personnel for the fine service they gave to the regiment throughout, at the same time sharing our own dangers and hardships.

I may point out that this is a letter to the Minister of Finance. This man continues:—

If, as I gather, your department has imposed this tax on the grounds that we are civilians, I think that the following facts, namely,

1. That we travelled at all times with the army,
2. That we were paid by the army,
3. That we were fed and clothed by the army,
4. That we were disciplined by the army, and were subject to court martial,
5. That we were awarded campaign ribbons, medals and discharge buttons,
6. That we could not return to Canada without the consent of the Department of National Defence and were at all times subject to military regulations as any other officer of the Canadian army, clearly establish that we were army personnel, notwithstanding any order in council passed by the government. The fact remains that we were essentially part and parcel of the army and were, therefore, entitled to be treated as army personnel.

I do not ask for preferential treatment, but I do request equality of treatment. If I could undergo the same hardships, strain and anxieties of war, as other army personnel, surely I am entitled to the same benefits as any officer in the Canadian army.

Now another instance is that of the forces in Hong Kong.

I believe that the only man in the whole force who is getting different treatment is the Y. officer—

An Hon. MEMBER: No, there are two.

Mr. GREEN: Two. Everybody else is treated as being different. A committee of this type surely cannot justify treatment of that kind. I believe the Department of Veterans Affairs should be supported in their attempt to get justice for these men from the rest of the cabinet, from the government. I do suggest this, that they should go further and ask for the same income tax treatment. They may not get it, but I think it should be asked for, and I think these men richly earned it. When they were deprived of it it was only a matter of compromise; it really amounted to chiselling. I suggest that we ask that they get the full treatment of men in the forces, and frankly I think the fire fighters should be treated in the same way. You remember that that was the time when fire fighting was more important than other fighting. It looked as though if they could not keep England from burning down they might lose the war. These men enlisted and went over. At that time I thought those fellows were going to have more casualties, perhaps, than those engaged in the actual fighting. It was that serious at the time they enlisted I do not think we should now try to argue oh, they were only civilians and went overseas to do fire fighting, just as though they went down to Montreal or over to Hull to put out the big fire recently. I suggest that we recommend that both these groups be treated as though they were soldiers. I so move.

Hon. Mr. POWER: Mr. Green has just read you a letter, and I have one here, and I deem it my duty to call the attention of the committee to this letter which I received not long ago. The letter reads in part as follows:—

Perhaps it has already been drawn to your attention that the government has decided to collect income tax and withhold the greater part of the benefits given servicemen from auxiliary services supervisors.

Thus, George Porteous of Saskatoon, Y.M.C.A. Auxiliary Service Supervisor, and myself who were interned at Hong Kong now find ourselves charged with income tax which has been deducted in part at the source and after discharge find we are not entitled to any further medical attention from the Department of Veterans Affairs. Not to mention the fact that other benefits such as re-establishment credit, vocational training, Veterans' Land Act, etc., are not for us.

In my case, I was discharged through the normal channels as an officer on February 19 last, and note where an amount of \$634 income tax for 21 months has already been deducted at source. At this rate I expect I will be charged about double this amount or more unless the government relents.

That letter is signed by Frank G. O'Neill, Knights of Columbus Auxiliary Services Supervisor, attached Royal Rifles of Canada, Force "C", Hong Kong.

The CHAIRMAN: Thank you, Mr. Power. Just to get this matter clear, your motion was not very clear, Mr. Green. Was it that you asked for all the benefits that go to the armed services for supervisors and fire fighters? Cannot we deal with them separately?

Mr. BENTLEY: You gave an answer a little while ago, Mr. Chairman, with regard to the question of supervisors. Does that include those who worked with them—their assistants?

The CHAIRMAN: Their assistants were either in the armed services, in which they are covered already, or they were civilians—people that they hired in the villages around—they are one or the other.

Mr. PEARKES: Are you quite certain of that? Because I rang up the offices of the Director of Auxiliary Services before I came down here and asked about the helpers and his remark over the telephone was that they are cared for under P.C. 44/1555. Now, I have not had an opportunity of reading that, but I was under the impression that while there were some military personnel who were employed as helpers for some of the time—I am speaking from memory—I think they were eventually transferred, discharged from the army to the auxiliary services, and they continued on then as helpers to the supervisors; but they were soldiers who had gone over there at the beginning of the war but were beyond the age limit to carry out active operations. For that reason they were transferred to the auxiliary services as helpers, as civilians, and then they would come back to Canada. I am speaking from memory.

The CHAIRMAN: All I am going on is that the interdepartmental committee assured me that they had been assured by the services that there were none—that they were either civilians or people who were in the services. If you wish we could hear from Captain Philpott, who was over there and who knows about this.

Mr. COCKERAM: I think the general manager of the Canadian Legion War Services is in the room and he can answer that question.

General BURNS: We have Colonel Philpott here to-day. He was deputy director of auxiliary services for the Canadian Army Overseas, and he could possibly answer the question for you.

Colonel P. J. PHILPOTT: Mr. Chairman, I think the answer you are trying to get is this: first of all the supervisor, in my opinion, was definitely a member of the forces. His services, and the conditions under which he served, were exactly the same as those of other members of the forces. When we come to civilian helpers, there were two types: the civilian who was sent from Canada by the organization to serve with the forces, and the discipline

of that person was governed by a section of the Army Act—the old section known as “Camp Followers”—they were subject to certain things but not completely under military law. They were paid by the military organization, not by the army. That person is already covered because he was a soldier, and we do not need to worry about him. The helper General Pearkes has referred to was detailed to the auxiliary service supervisor within the unit. We can forget about them. The type you are concerned about is the civilian sent from Canada by the organization, paid by the organization, and the army had no control over that person whatsoever. My own personal opinion is that if you take care of the supervisor you can reasonably forget about the others because in very few instances their service was not such as would recommend any special recommendation. The majority did not go farther than England. There were a few women who were sent to the continent after the end of hostilities, with the exception of one or two who were Salvation Army or Y.M.C.A. people who went from Canada, and British born women recruited over there. I think they were well paid for their services. They served in the back areas after the fighting stopped.

The CHAIRMAN: With regard to one point you mentioned, I agree with what you say in a large measure that to most intents and purposes these supervisors were members of the armed services, but they could not be ordered into combat or anything like that?

Colonel PHILPOTT: They were non-combatants, but they were right up with the troops in the fighting. They were looking after our troops' welfare right in the front line. I can vouch for them because it was my job to direct them. I was with them on the continent and I was with them with the troops, and they suffered the same hardships and privations and had the same discipline.

Mr. CRUICKSHANK: What rate of pay did a supervisor get?

Colonel PHILPOTT: The same as a captain, but they paid income tax less a 20 per cent exemption.

Mr. FULTON: With regard to these men known as military helpers, I was under the same impression as Mr. Pearkes that they were personnel, for the most part, actually discharged from the army and transferred to auxiliary services and went with the supervisors?

Colonel PHILPOTT: I do not remember of one case of a person being discharged from the army and hired on as a civilian military helper. I do know of many cases of soldiers who were discharged from the army to become supervisors, but I do not know of one case of a soldier being discharged from the armed forces to become a civilian military helper.

The CHAIRMAN: On the point you mentioned with regard to the income tax, for the benefit of us all could you tell us why that income tax exemption of 20 per cent was given—what significance there is in that?

Colonel PHILPOTT: Well, in the first instance, they paid the complete income tax as civilians, and some three years ago that was appealed and they were given a measure of relief by a P.C.—I forget the number of it—by being afforded 20 per cent exemption while overseas. They were not given the complete relief they asked for.

Mr. CRUICKSHANK: Did the supervisors get allowances or just the captain's rate of pay?

Colonel PHILPOTT: The captain's rate of pay—no staff pay.

Mr. CRUICKSHANK: Did he get the same allowances?

Colonel PHILPOTT: Yes, he was paid by the army the same as I was as a full commissioned officer.

The CHAIRMAN: As I pointed out, Colonel, there were these representations made to clarify the position of supervisors, and finally it was decided that



they should be embodied in this order in council in 1944, which gave them all these rights except that it did not go the whole way as regards income tax.

Colonel PHILPOTT: That is right.

Mr. MUTCH: I wonder if Mr. Green would reconsider his motion which is before the committee and deal with the matter separately? I have no hesitation in saying that I want to support the first half of his resolution, but at the moment I am not prepared to wholly support the second part of his resolution. I think, perhaps, that there are others of us in the same position. I wonder if he would consider separating his motion?

Mr. GREEN: I could not do that because I feel they should be included and that the fire fighters should be given these benefits also.

Mr. HERRIDGE: Mr. Chairman, I wish to speak briefly in support of Mr. Green's resolution. I am certainly in favour of the supervisors being considered as members of the armed services, and also the fire fighters. It happens that I have some personal knowledge of this matter. There were five men who enlisted from the fire brigade in Trail in 1943. I know all of them, and one of those men had informed me at that time that they had volunteered on the understanding that they would be considered as members of the armed forces, and I think that was definitely understood by these men at that time. Since then I have asked that personally of other members and they have all answered me in the same way. I have a letter here signed by these five men, testifying to that. They state definitely:—

When we volunteered we were told we would get all the privileges of the rest of the armed services. We were under army pay and rations while serving in England.

Mr. MERRITT: I wish to say a word in support of Mr. Green's resolution. I think it has been shown that they should be exempted from income tax because they were actually members of the armed forces. With regard to the fire fighters I have a little information here which I think would be of interest to the committee. A fire fighter called on me and gave me the rates of pay. So that members of the committee may be familiar with them, they range from \$1.30, \$1.80, \$2.20 and \$2.70, plus subsistence for the various ranks of the fire fighters. These rates are exactly comparable to similar army rates of pay. The other thing I would like to say is this, that I remember very well in 1941 when they were calling up people in Great Britain that in the fall of 1941 a man called up could elect to be a firefighter with equal priority with the army. That is, they were equally anxious in Great Britain at that time to get fire fighters as they were to get military personnel. So that the point made by Mr. Green that when they enlisted they went over to do a duty equal to the army duty is, I think, supported by the facts.

The CHAIRMAN: I am going over the order in council which sets them up. The order in council is P.C. 76/1656, and it gives the name of the corps as the Civilian Canadian Fire Fighters for service in the United Kingdom. Then it goes on to say that they may be ordered to go any place in the United Kingdom or the Isle of Man. There is a restricted service. Then it goes on to say:

The corps shall be a civil defence organization, but for the purposes of pay and allowances, (including transport, travelling and subsistence allowances), pensions for disabilities and death, medical care, and dental care, the provisions of the Financial Regulations and Instructions for the Canadian Active Service Force, Schedules A and B of the Pension Act, King's Regulations and Orders for the Canadian Militia, 1939, paragraph 962 (a), and the Canadian Army Routine Orders relating to dental treatment shall respectively apply.

That was laid down at the start definitely that they were a civilian defence organization. Then the pay and allowances were to begin at the date of final acceptance by the commanding officer, and then the provision for discipline, of course, was not nearly as severe as it is for the serving officer or man. It is summarized in the report of the interdepartmental committee. Now, then, those are the terms upon which they entered the service. This order in council states that they were a civilian organization and that they could only be sent to England, and the rates of pay are as have been stated: junior fireman, \$1.30; firemen, \$1.80—pretty well army rates of pay. They were to get dependents' allowances and medical treatment and so on. Now, then, with regard to the fire fighters and with regard to Mr. Green's motion I suggest that you re-read it, because the only motion I could entertain properly under the rules would be that we recommend a certain thing.

Mr. GREEN: That is what I had in mind.

The CHAIRMAN: "This committee recommends." I will add that.

Mr. QUELCH: I would like to say that I intend to support the motion. I do feel that the supervisors and fire fighters faced every bit as much hazard as did many branches of the armed services. As a matter of fact, many of the fire fighters faced more hazard than some of the men in the armed services. For instance, those in administrative positions in both England and Canada.

Mr. BROOKS: I was looking through the report of the Veterans Affairs Committee of last year and on page 1172 there is mention of the two orders in council with reference to supervisors and the income tax. It is very short and possibly it might interest the committee if I read it:—

P.C. 1087—February 21, 1944

One of the things which could not be foreseen at the outset was the heavy burden of income tax. Men volunteered for this service and left homes and families with a certain definite assured income. The increased income tax upset these arrangements and supervisors serving in the field found themselves at a distinct disadvantage with officers with whom they worked and who received the same pay and allowances. After prolonged negotiations this order in council granted exemption of income tax as to one-fifth of pay and all subsistence allowance and they were from payment of compulsory savings. This was a measure of relief but they were still at a disadvantage as compared with officers performing similar duties and who were wholly exempt. It will be noted that the ground for refusal of full exemption was "that they are not members of the armed forces," and while P.C. 44/1555 expressly made them members of such forces as fully as any other officer performing non-combatant duties, it was expressly stated that they should remain liable to income tax. This, it is suggested, was unjust discrimination.

The CHAIRMAN: What are you reading from?

Mr. BROOKS: The Special Committee on Veterans Affairs; the brief of the supervisors which was presented to this committee in which they comment on P.C. 1087 and P.C. 44/1555.

The CHAIRMAN: And they say that they were given exactly the same rights in reference to income tax?

Mr. BROOKS: Oh, no, they say they received the same pay as officers, but they had to pay this extra income tax. They did receive an exemption of 20 per cent, but they go on to say that the reason for refusal of the full exemption was that they are not members of the armed forces; and then they go on to quote P.C. 44/1555 which "expressly made them members of such forces as fully as any other officer performing non-combatant duties, and it was expressly stated that they should remain liable to income tax. This, it is suggested, was unjust discrimination." That is from the brief I am quoting.

The CHAIRMAN: Thank you, Mr. Brooks.

Mr. BROOKS: I was going to ask if they had that P.C. 44/1555. They quote that as making them expressly members of the forces.

Colonel PHILPOTT: The auxiliary services shall be deemed to be members of the forces for all purposes of discipline and conduct of their duties. I think that is the way it goes.

Mr. HARRIS: What was the object of passing that?

Colonel PHILPOTT: Because previous to that we had to deal with the matters of court martials.

The CHAIRMAN: It is moved by Mr. Green: That the committee recommend that the supervisors of the auxiliary services and the firefighters, corps of Canadian fire fighters, be accorded all benefits, pensions, rehabilitation rights, and income tax exemption, as members of the armed forces. Now, one of the things I was going to ask Mr. Green is, do you wish to apply to those who did not go out of Canada as well as those who did go out; because the way it is it will apply to those who served in Canada only.

Mr. GREEN: For services out of Canada.

Mr. SKEY: I can give you a little information about the fire fighters; of their whole corps only two were in Canada. They enlisted 438 men; of those 412 qualified to serve overseas and 2 remained in Canada. They remained here for administrative duties.

The CHAIRMAN: What were your figures again?

Mr. SKEY: 438 applicants, 412 were accepted and served overseas and 2 stayed in Canada.

The CHAIRMAN: Where are those figures from, because the interdepartmental committee found that there were 432 actually enrolled and 408 proceeded overseas?

Mr. SKEY: Those figures came from the fire fighters.

The CHAIRMAN: These are departmental figures. Fourteen did not go overseas.

Mr. SKEY: I understood there were only two. However, it is a fairly small number. I have some personal letters here. I will read you who they are from. One is from the chief of the Brantford Fire Department. One is from the officer in charge of the Plymouth detachment in England. One is from the chief of the Calgary Fire Department. Each of these letters says the same thing, that is that when these men enlisted and were sent overseas, they were addressed by a high ranking official who stated that they would be looked after in the same manner as the army. He also stated that they would be the fourth arm of the service.

Mr. LENNARD: That was General LaFleche.

Mr. SKEY: That is correct.

The CHAIRMAN: That was an assurance given in writing or verbally?

Mr. SKEY: Verbally. However, I feel that members of the committee would probably agree with me that it does contain a moral obligation.

Mr. MUTCH: Never believe a general.

Mr. LENNARD: He was the Minister of War Services at the time and speaking for the government.

The CHAIRMAN: I do not know what proof you have that he was speaking for the government.

Mr. LENNARD: Well, it was not corrected.

Mr. SKEY: I should like to speak in favour of this resolution, because I do know of the work of these men who went overseas. I know of some of the



admiration that was given to them by their English comrades in the fire services, and that they had a special ceremony when they left London. By all accounts they really did their job properly and were a credit to Canada. In addition to that, I suppose you know that three of them were killed. I would be in favour of supporting this resolution to give them the full benefits, because it would also include recognition with decorations and memorial crosses for the widows and all those other things that mean so much to the service men.

Some Hon. MEMBERS: Question.

Mr. MUTCH: Mr. Chairman, before you put the question, I have something to say.

An Hon. MEMBER: Briefly?

Mr. MUTCH: I am going to take the time that is left. I asked the mover of this resolution a moment ago if he would consider separating his resolution for what I thought to be good and sufficient reasons; at any rate, they are certainly so to me, personally. I want to make it perfectly clear that so far as I am concerned, I am in one hundred per cent agreement with a resolution from this committee which will give to the members of the auxiliary services, the supervisors of the auxiliary services, all the benefits which accrue to anyone who served in the armed services. But I come back again to the statement I made when I was on my feet before, that I am not one of those who think that the two branches can be put on all fours. I do not seek to deny to the fire fighters anything which has been indicated by your own proposals, Mr. Chairman. In some degree I would be prepared to be more generous than those proposals are. But I am not prepared at this moment to support a resolution which gives a blanket coverage to members of a civilian force and puts them on all fours with a force which I conceive to be, in fact, a part of the military forces and who had, with the exception of income tax, a covenant with the government of this country to receive that treatment. I am prepared to urge that the committee should recommend the extension of that one remaining benefit, that is the income tax benefit, to these supervisors. I want to make my position clear, because I am perfectly sincere about it. I propose to move an amendment to the motion, that you strike out the reference to the fire fighters in this particular motion and deal with it separately. I cannot remember the wording of it offhand.

The CHAIRMAN: You wish to strike out that reference, so that the motion would read, when amended, as follows: "That the committee recommends that the supervisors of the auxiliary services despatched for service overseas be accorded all benefits."

Mr. GREEN: Service out of Canada.

The CHAIRMAN: Service as set out under the War Service Grants Act?

Mr. GREEN: Service out of Canada.

The CHAIRMAN: Yes.

Mr. MUTCH: Yes. That is my amendment to the motion. I hope it is clearly understood by you, Mr. Chairman, and by all the members of the committee, that by moving that amendment I am extremely anxious to give what the resolution says to these people who are specified in the amended motion. But I do not think the committee is ready, and certainly I am not ready, to go the whole way at the present moment with an organization which I consider to be a civilian organization. I come back to this, and I think we would be sustained both by the country and the service personnel themselves, that there ought to be some differentiation between the men who volunteered to go any place, anywhere, any time, and someone who was retained in what is actually civilian duty.

Some Hon. MEMBERS: Question.

Mr. MUTCH: I remember, from what I myself saw, that these people were performing duties which ordinary civilians were performing in many instances in London in addition to their regular duties; and there has to be a difference, in my view, and a differentiation between the two groups.

Some Hon. MEMBERS: Question.

Mr. BELZILE: Mr. Chairman, I am in agreement with the sentiments expressed by Mr. Mutch, and I should like to second his amendment.

Mr. SKEY: With regard to what Mr. Mutch has said about the fire fighting group, I believe that there is some basis for his stand, but I do not think that it is altogether justified because of these men, these firemen that volunteered, 65 per cent of them were in some way trained, of whom 35 per cent came from fire departments all across Canada, regular fire departments, and 30 per cent came from volunteer departments. The rest were untrained. But I do not think that any of them were in any way influenced by restricted service.

Mr. MUTCH: I did not make that suggestion.

Mr. SKEY: I do not think that they selected the fire corps because of restricted service.

Mr. MUTCH: I do not suggest that.

Mr. SKEY: No, I know. All I want to be clear on is that these men were trained in their duties and that was the obvious job they could do best. If we get right down to it, the restriction was placed there by order in council, not by the men themselves. Let us face that clearly. That is my point.

Some Hon. MEMBERS: Question.

The CHAIRMAN: Before we put the question, General Burns is here representing the department and I think that we should hear what he thinks about it.

Mr. LENNARD: Before he does that, is there any representation here from the corps of fire fighters themselves?

The CHAIRMAN: Yes.

Mr. LENNARD: Where?

The CHAIRMAN: It is in the proceedings of last year.

Mr. LENNARD: Was there any intimation to them that they would be called or that they would be told when this meeting would be held, when their case was brought up?

The CHAIRMAN: They appeared before the interdepartmental committee. My recollection of it is that they appeared before the interdepartmental committee and their brief was filed. I do not remember that they were told that they would be called again before this committee.

Mr. LENNARD: I feel that they were under that impression.

The CHAIRMAN: They might be.

Mr. MUTCH: Did the committee not decide that they would not re-hear any who made applications, or did they?

The CHAIRMAN: No, there was no decision. It may be that there was something to that effect. I would not be too sure about that.

Some Hon. MEMBERS: Question.

The CHAIRMAN: First let us hear General Burns.

General E. L. M. BURNS: There was just one point I wanted to bring out regarding the position of the auxiliary service supervisors. It is stated in the order in council 44/1555 that they shall be deemed to be serving as members of the forces for all purposes except engaging with the enemy. That I think is a very important exception, as to their status. It was also pointed out by some of the members of the committee that the service which they rendered was just as hazardous as that of many of the members of the armed forces, which I do

not deny for a minute. But there was a difference. People in the R.E.M.E. and in the medicals and any other branch of the service can be transferred into the infantry and were transferred into the infantry, and did have to go into the front line when they were ordered to do so. That was not the case with the supervisors, who could resign at any time. I could not issue an order that any supervisor should go to any place which was under heavy shellfire which he would have to obey as a man in the armed services would have been obliged to obey. I think it should be on the record that there is this difference as to these men who were supervisors, admirable as their work was, and that they are not precisely in the same case as people in the services.

Some Hon. MEMBERS: Question.

The CHAIRMAN: Would you care to deal with this question of putting the corps of civilian fire fighters on the same basis as anyone who served in the armed services?

General BURNS: I had no contact with them, and I do not think I have anything to add, myself.

Some Hon. MEMBERS: Question.

The CHAIRMAN: There is an amendment by Mr. Mutch which proposes to amend Mr. Green's motion. Mr. Green's motion is that the supervisors and fire fighters despatched for service outside of Canada be accorded all the benefits pensions, rehabilitation rights and income tax exemptions the same as members of the armed services. To that Mr. Mutch has moved an amendment striking out the words "and the corps of Canadian fire fighters", so that the effect of Mr. Mutch's amendment would be that this committee recommends that the supervisors of the auxiliary services despatched for service outside of Canada be accorded all the benefits, pensions, rehabilitation rights, and income tax exemptions as members of the armed services.

In other words, it means that we make a decision in regard to the supervisors first of all, then take up the question of the fire fighters afterwards. That is the effect.

Mr. MUTCH: That is the effect.

Some Hon. MEMBERS: Question.

Mr. FULTON: We are voting on the amendment?

The CHAIRMAN: On the amendment.

(Amendment negatived, on division.)

The CHAIRMAN: I declare that the amendment is lost. The main motion now reads—

Mr. PEARKES: Before that main motion is put, Mr. Chairman, I think we have got to correct that question of "outside of Canada". "Outside of Canada" would mean somebody who served in Alaska, for instance, or in the United States.

The CHAIRMAN: Yes.

Mr. PEARKES: Personally, I am not prepared to go that far. I think according to the conditions as set down in the bill would be much better.

Mr. CRUICKSHANK: Make it a theatre of war.

Mr. PEARKES: Have the same definition as is given in the War Service Grants Act.

Mr. BENTLEY: Would not sub-section (e) of Section 2 be applicable there? Would that not be what Mr. Green means?

The CHAIRMAN: I do not know what he means. I just take the motion as he makes it.

Mr. BENTLEY: That is what I had expected.



The CHAIRMAN: I suggested that he put in the same definition as in the War Service Grants Act, but he did not accept it.

Mr. BENTLEY: Might I ask Mr. Green that question, then? Is that what you mean, sub-section (e) of section 2? Is that what you mean to apply there? If it is, I am going to vote for your motion.

Mr. GREEN: I think we all mean the same thing. I do not know whether it is under that section now. I do not want them to be getting more than the armed forces people get. It says there that they will get the same as members of the armed forces. I have no intention of their getting any more.

The CHAIRMAN: It would be clear enough if you said "despatched for service overseas" as originally.

Mr. GREEN: That is all right.

Mr. MUTCH: Speaking to the motion, Mr. Chairman, may I say that we are now put in the position, as a committee, of saying that we are not prepared to extend anything to the auxiliary services unless we can extend the same to the fire fighters. Is that not the position?

The CHAIRMAN: Yes.

Some Hon. MEMBERS: No.

Mr. MUTCH: Well, I am sincere in this matter. I did not move an amendment to the motion in order to make a speech. But I find myself in exactly the same position that I was in before, reversing it the other way. As I say, by opposing this motion, as I shall have to do, you are in the position of not wishing to extend this unless it is conditional on something else.

The CHAIRMAN: Yes.

Mr. MUTCH: I do not like conditional benefits. I do not like conditioning a benefit to someone who can be considered to be service personnel on something that is done for some civilian, and I am just as anxious as anybody on the committee to do something for the fire fighters.

Mr. FULTON: Perhaps I can put Mr. Mutch's mind at rest by reminding him again of the promise that was made to the fire fighters by a responsible minister of the Crown at the time they were recruited, that they would be regarded as army personnel and treated in exactly the same way. I would suggest to him, whether he likes it or not, that he regard it in this way, that we are redeeming a pledge made on behalf of the people of Canada to this corps of fire fighters.

Mr. MUTCH: I am not taking any exception to that, but I say this—

Some Hon. MEMBERS: Question.

The CHAIRMAN: Order, gentlemen.

Some Hon. MEMBERS: Question.

The CHAIRMAN: The situation now is as pointed out by Mr. Mutch. I draw to the attention of the committee again that if we oppose this motion, then by implication we are prepared to give the same thing to the merchant seamen, the same rights that we give to members of the armed services.

Some Hon. MEMBERS: Oh, no, no.

The CHAIRMAN: Well, just a minute—because their service was more hazardous, in the casualties suffered, than people in the fire fighters; far more hazardous.

Mr. GREEN: Mr. Chairman, I must rise to a point of order. You are so far out of order now that it is hopeless. You made that same ruling yourself and asked for us to back you up. You stamped down on these men who tried to talk the other way, and tried to plead, as you have pleaded now; and now you have turned right around and try to argue that way. I suggest that you put the question.

Mr. HARRIS: Excuse me, Mr. Chairman. Once again I should like a little bit of information. I must confess that I have not been at all your meetings, but this morning is the first time I have heard of this promise made to the fire fighters. If General LaFleche or anybody in similar authority made such a statement, I am quite in agreement that we ought to back that up, and I am not in any way suggesting that Mr. Skey does not know what he is talking about.

Mr. LENNARD: Mr. Skey is not the only who knows about it.

Mr. HARRIS: But is there any official evidence before us, other than that, that the promise was made?

An Hon. Member: It was included in the brief.

Mr. HARRIS: It was included in our brief?

The CHAIRMAN: Yes.

Mr. HARRIS: Have we anything on behalf of the government to suggest it was a qualified promise or anything of that kind?

Mr. QUELCH: There was no denial.

The CHAIRMAN: I do not know. If General LaFleche were here in Canada he could be asked.

Mr. HARRIS: We do not want him.

The CHAIRMAN: I suppose we could have found out what he did say.

Mr. CRUICKSHANK: Maybe he said it in French.

The CHAIRMAN: Perhaps he should have been asked, but I do not think the interdepartmental committee did ask him. We have the statement of these boys that this statement was made verbally and the suggestion is made that we act on it.

Mr. HARRIS: Then, Mr. Chairman, I am still in the position of Mr. Mutch.

Mr. MUTCH: That is unfortunate.

Mr. HARRIS: But I promise to be brief. I do feel that we have got to draw the line somewhere. I have fire fighters in my riding and I know they enlisted for the purpose of fighting fires in England. They were restricted to that extent, and it was hazardous to some extent, I agree. But when we get through with this, if we keep on the way we are going, we are going to extend complete benefits to all persons who were in any way remotely connected with the war, equal to those of the men who served in France, Italy or elsewhere. I regret, as I say, that we did not discuss these things separately. That motion has been defeated, but I would still like to take these questions up separately.

Some hon. MEMBERS: Question.

Mr. HARRIS: Therefore I will have to vote against the motion, although I entirely agree that we ought to give the supervisors of the auxiliary services more than they are getting now.

Some hon. MEMBER: Question.

The CHAIRMAN: The motion is that the committee recommend that the supervisors and fire fighters who were despatched for service overseas be accorded all the benefits of pensions and so on of members of the armed forces. All those in favour of that motion?

(Motion agreed to, on division.)

The CHAIRMAN: The motion is carried.

Mr. MUTCH: I move that we adjourn.

The CHAIRMAN: Before we adjourn, may I say this. I will convey the effect of the motion to the government. In the light of this decision, I presume that the government will have to have some time to consider it. We cannot hope to proceed with this matter on Tuesday; therefore I presume that we will proceed with the Pension Act. Does that meet with the wishes of the committee?

Some hon. MEMBERS: Hear, hear.

The committee adjourned at 12.55 p.m. to meet again on Tuesday, April 9, at 11 o'clock a.m.



Doc  
Canada Veterans Affairs Special  
Committee No. 1346

SESSION 1946  
HOUSE OF COMMONS

---

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

---

MINUTES OF PROCEEDINGS AND EVIDENCE

---

No. 7

---

TUESDAY, APRIL 9, 1946

---

## WITNESSES:

Mr. J. L. Melville, Chairman, Canadian Pension Commission;  
Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act;  
Mr. J. C. G. Herwig, General Secretary, and Mr. Richard Hale, Chief  
Pension Officer, Canadian Legion of the B.E.S.L.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946

ORDER OF REFERENCE

HOUSE OF COMMONS,

TUESDAY, 9th April, 1946.

Ordered,—That the name of Mr. Robinson (Bruce) be substituted for that of Mr. Bruce on the said Committee.

Attest:

ARTHUR BEAUCHESNE,  
*Clerk of the House.*

## MINUTES OF PROCEEDINGS

TUESDAY, April 9, 194

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzilc, Bentley, Blair, Blanchette, Brooks, Cleaver, Cockeram, Croll, Cruickshank, Dorion, Drope, Emmerson, Gauthier (*Portneuf*), Green, Harkness, Hairs (*Grey-Bruce*), Herridge, Jutras, Kidd, Lennard, Marshall, Macdonald (*Halifax*), MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver N.*), Skey, Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Winkler, Winters, Wright.

*In attendance:* Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. J. C. G. Herwig, General Secretary, and Mr. Richard Hale, Chief Pension Officer, Canadian Legion of the B.E.S.L.

Mr. Murchison suggested that the Committee reconsider its decision of April 4, paragraph (f) of clause 1 of the draft bill to amend the Soldier Settlement Act by substituting *earlier* for the word *later* in line 7 thereof; and made a statement giving his reasons therefor.

It was agreed that Mr. Murchison's suggestion be considered at the meeting of the Committee to be held on Tuesday, April 16.

The Chairman tabled a draft of a proposed bill to amend the Pension Act, copies of which were distributed.

On motion of Mr. Ross, it was ordered that draft bills prepared by the Department of Veterans Affairs and the Canadian Pension Commission be printed for distribution to members of the Committee.

Mr. Hale was called, read a brief on behalf of The Canadian Legion respecting proposed amendments to the Pension Act, and was questioned thereon.

Mr. Melville was called and questioned.

Mr. Melville filed a statement of enlistments, applications for disability pensions, decisions rendered by the Canadian Pension Commission, etc., as of December 31, 1945, for World War II, which is printed as Appendix "A" to this day's minutes of proceedings and evidence.

Mr. Hale filed a report of a Committee of The Canadian Legion appointed to examine into pension rates for widows and children of ex-members of the Armed Forces, which is printed as Appendix "B" to this day's minutes of proceedings and evidence.

It was agreed that examination of Mr. Hale be continued at the next meeting.

At 1.00 o'clock p.m., the Committee adjourned until Thursday, April 11, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS

1946.

The Special Committee on Veterans Affairs met this day at 11.00 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: First, may I say that I have been asked by the minister to make his apologies for not being here at the meeting this morning to take part in hearing the representatives from the Legion. He is occupied with some other very important work having to do with veterans affairs, and it was thought that he was absolutely needed there. Therefore he asked me to convey his regrets to the committee for his inability to be here this morning.

Just before I call on the Legion, Mr. Murchison, director of the Veterans' Land Act, has a statement to make. He said he would like to make a very short statement to the committee with reference to the amendment which we proposed to the Soldier Settlement Act the other day. I have not had a chance to discuss it with him, but I thought the committee would like to hear what he had to say about it because he has had so many years' experience with this work. I am sure the committee would like to have the benefit of his opinion about that amendment. It will be a matter for the committee to decide whether we will discuss it immediately or not. Perhaps it would be better to discuss it on Thursday and to go on, immediately after hearing Mr. Murchison, with the Legion's submission. With your permission, I will ask Mr. Murchison to make his short statement and then the committee can consider that.

Mr. G. A. MURCHISON, Director, Soldier Settlement and Veterans' Land Act, called.

The WITNESS: Mr. Chairman and gentlemen, the other day when this amendment to the Soldier Settlement Act was being considered, I regret that I did not have with me a break-down of the details that would have enabled me at that time to have presented the situation in a little different light to the committee. Since then I have had an opportunity to get some further information on the subject, and I should like to put it before you this morning.

The proposed amendments, as you will recall, were to formally ratify two orders in council, namely P.C. 10472 of November 19, 1942 and P.C. 8346 of March 28, 1945. Order in council P.C. 10472 of November 19, 1942 provided for two things. One was to authorize the director, with the approval of the Treasury Board, to make a capital reduction in the debt of certain soldier settlers where it was felt that action was deemed necessary. That was in accordance with quite a discussion with the parliamentary committee on veterans affairs of that year. It also made provision for a reduction in the rate of interest from 5 to 3½ per cent in those cases where the settler had enlisted.

After giving very careful consideration to all the various points involved, I am respectfully suggesting to you this morning, gentlemen, that the recommendation you made for the change in the wording of that order—that is, substituting the word "earlier" for the word "later"—be withdrawn, and for the following reasons:

The reduction in the rate of interest in the Soldier Settlement Act was related to the rate of interest in the Veterans' Land Act. The Veterans' Land

until November, 1942, and the date of the first establishment carried out under the Veterans' Land Act was November 1, 1943. Reduction in the interest rate provided by P.C. 10472 applied to three classes of persons: soldier settlers, civilian purchasers and British family settlers who enlisted with the armed forces. Thus, by making the reduced interest rate effective on the date of enlistment, whichever was the later, there were several advantages to these persons given the benefit of reduced interest rates a year later.

In cases where enlistment occurred prior to October 1, 1942, the settler did not qualify for interest reduction because his period of service was below the minimum required in order to participate.

It does not appear equitable to grant a reduced rate of interest effective October 1, 1942 in those cases where enlistment did not occur until after that date.

With respect to P.C. 8346 of March 28, 1945, all settlers as of October 1, 1944, were blanketed in for the reduced interest rate, whether or not they served during World War II.

An estimate has been made of the amount that would be involved by way of further write-offs if the recommendation of the committee is accepted. This estimate does not include cases where loans have been repaid since October 1, 1942, nor cases where a capital reduction was authorized under the provisions of order in council 10472. Excluding cases of this type, there remain 278 soldier settlers, 75 British family settlers, and 124 former civilian purchasers who enlisted with the armed forces, a total of 477 cases.

The estimated total of interest charges affected prior to October 1, 1942, would be \$14,021. This would result in an average adjustment of \$50 each on behalf of 278 soldier settlers, an average adjustment of \$51 each on behalf of 75 British family settlers, and an average of \$48 each on behalf of 124 former civilian purchasers.

I suggest, Mr. Chairman, that this adjustment is of such little consequence, after all, that it bears no important relationship to the success or failure of any veteran; and I can assure you and the committee that these accounts, with very, very few exceptions, are to-day in a very strong and satisfactory position. For that reason I respectfully suggest for the consideration of the committee that the wording of the amendment as presented be allowed to stand.

The CHAIRMAN: Gentlemen, I am sure that some of you will want to ask questions of Mr. Murchison in regard to his statement. What I suggest is that it will appear in to-day's proceedings, where you will be able to read it over and study it; then we can take it up, say, on Thursday, ask questions on it and see if we wish to modify the recommendation which we made in the matter. Is that satisfactory?

Mr. LENNARD: How do we know we will have it up to date by Friday or Saturday?

The CHAIRMAN: I am told it will be distributed on Thursday. Therefore it would give everybody a chance to study the statement and give it consideration; I suggest that we would then have it and we could take it up on Friday. Is that satisfactory?

Mr. GREEN: Are you saying Friday Mr. Chairman?

The CHAIRMAN: Oh, that is right. We will not be sitting on that day. That would mean that it would go over until the following Tuesday because I take it that we would not be sitting on Friday because it would interfere with the ceremonies in connection with the arrival of the Governor General. Is that satisfactory? Mr. Murchison will you be here a week from to-day and we will go into this matter you have just raised?

The WITNESS: Yes.



Mr. GREEN: Have we got a copy of the amendments? We did not have that bill the other day.

The WITNESS: I thought that was circulated.

The CHAIRMAN: Oh, that will be circulated at our meeting on Thursday. It is in the votes and proceedings, of course, on Friday. But as to the bill, we would not be printing it until it was introduced in the House. It is in the votes and proceedings on Friday. Is it the desire of the committee to have it printed as a proposed bill? I have reference to the Soldier's Pension Act proposed bill. Or is it satisfactory to the committee to leave it in the votes and proceedings of Friday, as we recommended it? I presume that should be satisfactory and save printing it again. Then, of course, when it is introduced into the House it will be printed in the ordinary way.

I may say that we have the proposed draft bill in regard to the Pension Act and in regard to the civilian war pensions and allowances. We have sufficient copies to distribute this morning. We will distribute both of these for study by the committee.

We have with us, gentlemen, representatives of the Canadian Legion of the British Empire Service League to make their long-awaited presentation in regard to pensions. Are you going to make the presentation, Mr. Hale?

Mr. RICHARD HALE: Yes, Mr. Chairman.

The CHAIRMAN: Gentlemen, before Mr. Hale begins, may I have a motion to print this draft bill, or rather these two proposed draft bills in regard to pensions? In fact we could make that cover all bills which will be considered by this committee.

Mr. ROSS: I so move.

Mr. BROOKS: I second it.

Motion agreed to.

Mr. RICHARD HALE, Chief Pension Officer Canadian Legion of the British Empire Service League, called:

The WITNESS: Mr. Chairman and gentlemen, you will recall that our dominion president made a presentation to you of the official Canadian Legion brief during your meetings at the last session of parliament. That portion dealing with the Pension Act was left over, and it is that which I now propose to present to you. You will note that, at the time this brief was prepared, certain figures are referred to therein, which were part of the statement made by the Honourable the Minister of Veterans Affairs, and it is in connection with those figures that our representations are made. I suppose the chairman of the Canadian Pension Commission will have more up-to-date figures, but I wanted you to understand the reason for the figures which are quoted in this brief.

### RECOMMENDATIONS RESPECTING THE CANADIAN PENSION ACT

The Canadian Legion considers that the Canadian Pension Act is generally satisfactory. It pays tribute to the members of previous House of Commons committees who, since the first Pension Act was enacted in 1919, have so conscientiously studied and remedied defects, which were revealed year by year. The Legion has, throughout the 20 years of its existence, endeavoured to work closely with the Canadian Pension Commission, in order to ensure justice being done in respect to every fair claim to pension by ex-service men and women, or by their dependents. It is desired to record the appreciation of the Legion for the facilities generously provided by the commission for our pension adjustment

officers and service bureaux personnel throughout Canada. The services of the Legion are entirely free to many who seek them, and the record of Legion achievement in this field of service is well known.

It is our opinion that there are still defects in The Pension Act which should be remedied. The most serious is, undoubtedly, the denial of the benefits of the "insurance principle" in respect to the members of the forces, and their dependents, whose service in the second world war was confined to Canada. The official figures contained in the statement of the chairman of the commission to The Hon. Minister of Veterans' Affairs, dated July 31, 1945, reveal that of 49,936 claims to pension for disability or death only 4,988 have been granted as of right under section 11, subsection (2) of the Act, or roughly 10 per cent. On the other hand, it is stated that 1,923 are at present in receipt of compassionate awards of pension under section 11, subsection (3) of the Act, while another 12,798 are qualified to receive such an award should they be in "necessitous circumstances" later. There remains, therefore, a balance of approximately 30,227 who were discharged from the service as medically unfit, and have not been able to qualify for either disability or compassionate pension. Of these cases, 29,784 have been ruled by the commission to have had pre-enlistment conditions, which were not aggravated by service. Even under the "insurance principle" these cases could not qualify for pension. These figures do not include approximately 25,000 cases with service in Canada only, where decisions have actually been rendered by the commission, but the records branch have not yet recorded them officially.

Since September, 1943, it is admitted that the commission have given a much broader interpretation to the words of the statute "arose out of and was directly connected with service" as contained in section 11, subsection (2) of the Act, with regard to service in Canada, in respect to infectious and contagious diseases particularly. It will, however, always be a source of dissatisfaction that the "insurance principle" does not govern in all cases, regardless of the type of service rendered. This is particularly true where the man has died during service. Thus, two widows who have lost their husbands, during service, receive different amounts of pension. As an example, a widow and two children pensioned as of right, under section 11, subsection (2) of the Act, receives \$87 per month, while another widow and two children pensioned, under section 11, subsection (3) of the Act, usually receives \$58 per month. Both lost the bread-winner while he was serving in the forces, yet the dependents receive unequal treatment.

It has always been the general impression that the "insurance principle" meant a huge increase in the number of awards of pension. This is now proven to be utterly without foundation by the figures quoted in the statement of the chairman of the commission, with particular reference to awards of disability pension in respect to service personnel who have served overseas. On July 31, 1945, out of a total number of 28,218 claims on which the Canadian Pension Commission have adjudicated, 21,633 have qualified for disability pension, while 6,585 have been rejected. In other words, only 76 per cent of those discharged as medically unfit, after serving in a theatre of war, dealt with by the Canadian Pension Commission have been awarded a disability pension notwithstanding they are entitled to the benefit of the "insurance principle", while 24 per cent have been refused pension. Presumably, the great majority of the 24 per cent rejected have been placed in the category of having pre-enlistment disabilities—not aggravated by service. This, in spite of the fact that medical examinations on enlistment were fairly rigid and that they completed a strenuous period of training, in the great majority of the cases, before serving overseas.

The Canadian Legion, with its long experience, feels that there will be grave dissatisfaction in the years to come on the part of those who have served overseas and, although discharged as "medically unfit" have not qualified for a disability pension, nor can they qualify for a compassionate pension

under section 11, subsection (3). From the time the change was made in May, 1940, depriving all service personnel of the protection of the "insurance principle" while on service in Canada, the Legion has consistently pointed out the inequalities which were bound to result. The benevolent interpretation of section 11, subsection (2) by the Canadian Pension Commission is admitted, but it is our opinion that it would be a sound policy to restore the "insurance principle" in respect to service in Canada in so far as those who "voluntarily enlisted" is concerned.

*Recommendation:*

1. That the "insurance principle" be restored in respect to entitlement to pension in the case of all men and women, who voluntarily enlisted in the Canadian forces for service in the second world war.
2. That, if the committee do not favour this proposal, then we strongly urge that section 11, subsection (3) be amended to enable overseas personnel discharged as "medically unfit" to qualify for a compassionate award of pension.

Mr. PEARKES: Mr. Chairman, could we have a definition of "insurance principle"? It is not contained in the Act, and I think it would help us if we could have a clear definition of what is meant by "insurance principle".

The CHAIRMAN: I might say that it was contained in that history of pension legislation which was filed on the first day of the committee's meeting; that is one of the reasons it was filed at that time, so that any person who was not familiar with the history of it would be able to read it and understand what was referred to later on. Brigadier Melville says he can give it in one sentence. If he can do that, he is doing very well.

Brigadier MELVILLE: Mr. Chairman and gentlemen, in answer to the question which has been raised, the "insurance principle" is very briefly this. It is full coverage against injury or disease resulting in disability or death incurred during service, independent of the area of service; that is, Canada, Great Britain or Europe.

Mr. Mutch: Incurred on.

Brigadier MELVILLE: Incurred.

Mr. GREEN: It really should be called the "incurred on" principle.

Brigadier MELVILLE: Possibly so, Mr. Green.

The CHAIRMAN: Will you continue, Mr. Hale?

Brigadier MELVILLE: There is one exception to that, where the disability or death arose or was incurred owing to his own improper conduct. That is the only exception.

The WITNESS: I may say, Mr. Chairman, the term "insurance principle" of course has been in use ever since the first Pension Act was introduced in the House, and it was referred to at that time as being an insurance coverage for any man who enlisted for service, so that he could be protected against any damage that he might suffer by disability or death.

I now continue with our brief:

#### RE-ENLISTMENT CONDITIONS

Probably nothing has created more dissatisfaction amongst overseas service personnel than this extremely contentious matter. Section 11, subsection (1) (c) provides that "No deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during the great war or during the war with the German Reich, on account of any disability or disabling condition which existed in him prior to his period of



service in either of the aforementioned wars, etc., etc." There are three exceptions in that which, at the time he became a member of the forces, was "wilfully concealed", "was obvious" or "was recorded on medical examination prior to enlistment".

The general principle of the above is clear. However, the committee will realize that when 24 per cent of the men who have served in a theatre of war are discharged as "medically unfit", and advised by the Canadian Pension Commission that they are not entitled to disability pension, there is bound to be dissatisfaction. Further, of the claims granted, a substantial number have had deductions made from their actual degree of disability because they fall within the three classes, described above.

At the last dominion convention of the Legion held in Vancouver, this matter received a great deal of careful study; and the general opinion was that, when a man had completed six months' service and was still considered fit to continue service, then absolute physical fitness should be presumed at the time of enlistment, subject to the exceptions in section 11, subsection (1) (c).

#### *Recommendation:*

That the Pension Act be amended to provide that, after a secondary medical examination held six months or later after enlistment, any disability occurring thereafter should be considered as having been incurred during service and attributable thereto.

### PENSION ACCORDING TO RANK

Section 14, subsections (1) and (2) of The Pension Act provides that a disability pension shall be awarded in accordance with the rank or acting rank, for which the man was being paid pay and allowances at the time of the appearance of the injury or disease for which he is pensioned, or the appearance of the injury or disease which resulted in his death. No variation in rank, after the appearance of the disability, shall affect any pension. There is also a provision in section 14, subsection (4) whereby pension can be paid at the rank held, should the man revert to a lower rank in order to proceed to a scene of hostilities.

It may be stated that the disability pension rates are set out in schedule "A", and dependents' pensions in schedule "B" of the Act. All pensions are equalized below the rank of lieutenant (navy)—Captain (army)—Flt.-Lieutenant (Air). Section 14, therefore, only affects those holding the aforesaid or higher ranks.

#### *Recommendation:*

That section 14, subsection (1) of The Pension Act be amended by adding this proviso:—

Provided, however, that in the event of a member of the forces being promoted to a higher rank after the appearance of the injury or disease, for which he is pensioned, he shall be entitled to pension on the scale applicable to such higher rank.

### PENSION FOR WIDOWS

#### *(Marriage Invalid)*

Section 32, subsection (3) gives the Pension Commission discretion to award a pension to a widow, although she was not married to the member of the forces who has died, when she was living with him in Canada at the time he became a member of the forces, and for a reasonable time previously and was publicly represented as his wife. It also provides the commission with discretion to

award a pension if, in its opinion, an injustice would be done by not recognizing a woman as the wife of a member of the forces, although there is no evidence that she had been publicly represented as his wife.

However, a woman who marries a member of the forces in good faith, and subsequently the marriage is found to be invalid, receives no consideration at all. There are very few such cases, but it is the opinion of the Legion that some provision should be made for them.

#### *Recommendation:*

That section 32, subsection (3) of The Pension Act be amended so as to give the commission discretion to award a pension to a widow of a member of the forces who has died, when she has gone through a form of marriage in good faith, but where such marriage as been declared invalid.

### PENSION FOR WIDOWS

#### *(Divorced or Separated)*

Section 32, subsection (4) of The Pension Act provides that a woman who has been divorced, legally separated, or separated by agreement from a member of the forces who has died, shall not be awarded a pension unless she was awarded alimony or an alimentary allowance, or is entitled to an allowance under a separation agreement when if she is in a dependent condition, the commission may award her a widow's pension or the equivalent of the alimony or alimentary allowance, etc., whichever may be the smaller in amount.

Strong representations have been made to the Legion from time to time that, in all these cases, the widow concerned is the innocent party or alimony would not be granted by the courts. It is indicated that the amount of such alimony is based on the man's earnings which, at the time, may have been at their lowest. There seems to be a strong feeling, therefore, that, when the pensioner dies, his widow should be treated the same as any other widow.

#### *Recommendation:*

That section 32, subsection (4) of The Pension Act be amended as follows:—

A woman who has been divorced—legally separated—or separated by agreement from a member of the forces who has died, shall be entitled to pension provided that, at the time of the death of her husband, she was entitled by virtue of an order of a court of competent jurisdiction or by agreement, to alimony or an alimentary allowance, irrespective of the amount of such allowances.

### PENSION FOR WIDOWED MOTHERS AND PARENTS

Section 33 of The Pension Act should be re-drafted and subdivided into two separate sections or subsections in order to make the intention more clear, in respect to the amount of pension payable to widowed mothers and also parents. At the present time, this section deals with three different types of dependents i.e.—parents—widowed mother and children—widowed mother solely dependent on a member of the forces. The Legion feels very strongly that the pension for all parents should be not less than \$30 per month. This is the rate now authorized under section 33, subsection (2) for a parent, where a widow and children are also pensionable.

In the case of a widowed mother solely dependent on her deceased son, the present practice of the Canadian Pension Commission is to pay her the full amount of \$60 per month, as shown in schedule "B", when she has no other income. The Legion is of the opinion that this should be made mandatory; and

## SPECIAL COMMITTEE

that the "means test" should be eliminated. The widowed mother who has lost her only son, who was her sole support, should be placed on a parity with a widow.

*Recommendation:*

That section 33 of The Pension Act should be amended as follows:—

1. That a widowed mother pensioned for the loss of her only son or daughter shall receive the full amount of pension, provided in schedule "B," and that there shall be no "means test" whatever.

2. That a widowed mother or parent pensioned for the loss of one of her sons or daughters, and who has unmarried children, shall receive a pension of not less than \$30 per month: and, if for any reason the unmarried children are unable or fail to support the mother or parent, the commission shall have discretion to increase the amount.

## DEPENDENTS' PENSION FOR PARENTS, BROTHERS AND SISTERS

Section 32, subsection (2) of The Pension Act provides that a pension shall be paid to a widow and children when any disability pensioner dies, while in receipt of pension in classes 1 to 11, regardless of the cause of death. The Legion considers this should also apply to other dependents the pensioner may have, such as parents or brothers or sisters as, otherwise, some dependents are pensioned while others cannot qualify.

*Recommendation:*

That sections 33 and 34 of The Pension Act be amended to provide for the payment of dependents' pensions to parents, brothers, or sisters of the pensioner, when he dies while in receipt of disability pension in classes 1 to 11, regardless of the cause of death, and when the parents, brothers or sisters were being maintained by the pensioner prior to death.

## SUPPLEMENTARY PENSION FOR CANADIANS WHO SERVED IN BRITISH FORCES 1914-18

Section 45 of The Canadian Pension Act provides for the payment of supplementary pension in respect of warrant officers, or those of a higher rank, who were domiciled in Canada at the commencement of the first great war, when the pension awarded by the British Ministry of Pensions is less than that payable under The Canadian Pension Act.

Where the man was below the rank of warrant officer, he had the option of electing to receive disability pension, at either British or Canadian rates. However, those in this category receive the whole amount of their pension from the British Ministry of Pensions. It is understood there are approximately 967 in payment at present. This procedure was not made effective until some time in 1920.

It is interesting to note that, when The Canadian Pension Act was first enacted on July 7, 1919, section 46 read as follows:—

When a person who was domiciled and resident in Canada at the beginning of the war has been awarded a smaller pension than he would have been entitled to under this Act for a disability, incurred during the war in any of His Majesty's naval, military or air forces of Canada, he shall, on resuming his residence in Canada and during continuance of such residence, be entitled to such additional pension as will make the total of the two pensions received by him equal to the pension he would have been awarded in respect to such disability, had he served in the military service of Canada.



On July 1, 1920, however, the above section of The Canadian Pension Act was amended by inserting after the word "person" the words "of the rank of warrant officer or a higher rank". The onus of paying the supplementary pension was then transferred to the British Ministry of Pensions. There has always been a great deal of dissatisfaction regarding this change, particularly as those affected have lost the advantages which have been added to The Canadian Pension Act, during the past 25 years. It should be pointed out, too, that there are many differences in determining the assessment of disability pensions, as between the British Ministry of Pensions and the Canadian Pension Commission.

In 1941, section 46A of The Canadian Pension Act was enacted giving to Canadians who served in the British forces, in the second great war, all the benefits of the Act when they were domiciled in Canada at any time during the four years next preceding September 1, 1939, when pensioned for disability. The Canadian Legion feels that the original intention of treating these men as Canadians, as set out in the original Pension Act, should be carried out; and also that, consistent with the provisions of section 46A, they should be given all the benefits of the present Pension Act. In the first great war, Canada encouraged men to enlist for service in the Royal Air Force and Royal Navy, also in the British army. It seems only fair and just that all Canadians should be treated the same.

*Recommendation:*

That section 45 of The Canadian Pension Act be amended by striking out the words "of the rank of warrant officer or of a higher rank" and adding "such person shall be entitled to all the benefits of this Act."

EXTENSION OF BENEFITS OF PENSION ACT TO CANADIAN DEPENDENTS WHERE  
MAN DIED WHILE SERVING IN BRITISH FORCES PRIOR TO SEPTEMBER 1, 1939

Section 46A of the Canadian Pension Act provides for dependents of Canadians who have died, while serving in the British forces, providing the death took place after September 1, 1939, to receive supplementary pension so that such dependents receive the same rate of pension as if the death took place while serving in the Canadian forces. There are very few cases but, where a Canadian proceeded to serve in the British forces during the four years prior to September 1, 1939, and died, the Legion believes his dependents should receive the same consideration as if his death took place after September 1, 1939.

*Recommendation:*

That section 46A of the Pension Act be amended to include the dependents of Canadians who died, while serving in the British forces between September 1, 1935, and September 1, 1939.

CREDIT BALANCES

Section 20, subsections (4) and (8), of the Canadian Pension Act provides that the unpaid balance of pension or hospital allowances shall not form part of the estate of a deceased pensioner. The commission have a limited discretion to pay such unpaid balances to dependents, or to apply same for repayment of debts incurred by the pensioner for maintenance. It can also be applied towards the cost of the pensioner's funeral expenses.

This matter has come very much to the fore during the past year. Battle and other casualties requiring long treatment under the Department of Veterans Affairs, and subsequently dying, often leave substantial credit balances as they are credited with class 2 hospital allowances, which is the equivalent of their

service pay and allowances. Unless they have recognized dependents, such balances do not form part of the estate. Thus, we have the anomalous situation that, while service pay and allowances, also war service gratuity, are payable to the "service estate" of the deceased, the unpaid balance of the Department of Veterans Affairs hospital allowances or pension is not. It is desired to point out that many parents while not dependent on their deceased son for support, at the time of his death, often fall into a dependent condition later. They have had all the expense of maintaining and educating such a son, prior to his enlistment for service. It seems only reasonable that, as Department of Veterans Affairs class 2 hospital allowance is practically a continuance of the man's service pay and allowances, it should form part of his estate at his death.

*Recommendation:*

That section 20 be amended to provide that all unpaid balances of pension or Department of Veterans Affairs hospital allowance shall form part of a deceased pensioner's estate.

#### AUTOMATIC INCREASE IN DISABILITY PENSION AT THE AGE OF 55 - 57 - 59

On February 1, 1938, the Canadian Pension Commission, by virtue of its powers, contained in section 24 of the Pension Act, amended the table of disabilities and introduced a new principle. This new regulation provided for an automatic increase in disability pension, based on age, for those who had been severely wounded and were in receipt of pension at 50 to 70 per cent. At the age of 55, in such cases, there would be an automatic increase of 10 per cent for those receiving 50 per cent, another 10 per cent at 57, and a further 10 per cent at the age of 59. Those in receipt of 60 per cent, at age of 55, are increased to 70 per cent and to 80 per cent at age of 57. Those receiving 70 per cent are increased to 80 per cent at age of 55.

The Legion welcomed this new principle, but have always been strongly of the opinion that it should apply to all disability pensioners. When any man with a fairly severe disability of 50 per cent to 70 per cent reaches the ages mentioned, he is undoubtedly handicapped in the ordinary labour market to a very substantial degree. This is true, no matter what may be the cause of his disability.

The assessment of disability due to disease can never be absolutely accurate, any more than it can be in respect to wounds. Arbitrary rates of disability pension are fixed, under the table of disabilities, in order to achieve uniformity. The Legion contends, therefore, that the automatic increase in disability pension, based on age, should be extended to include all disability pensioners.

*Recommendation:*

That the committee recommend to the Canadian Pension Commission the extension of the automatic increase in disability pensions now in effect for those severely wounded, and based on age, to cover all disability pensioners.

#### INCREASED PENSIONS FOR CHILDREN

The Legion is deeply concerned about the rates of pension payable in respect to children. Under The Pension Act, the rates payable of \$15 monthly for the first child—\$12 monthly for the second child—and \$10 monthly for the third or any subsequent children have remained unchanged since 1919.

It is largely in respect to widows, with children, that the Legion believes serious consideration is warranted. A widow, with two children, where the rank of her late husband was below that of a captain (army)—lieutenant (navy)—flight-lieutenant (air force) receives a total of only \$87 per month, which includes \$27 per month for her two children. When these children reach high

school age, it is manifestly impossible for the widow to provide the children with adequate shelter, food, clothing and books. In other words, three adults should not be compelled to try and maintain themselves on such an inadequate amount. The Legion feels that, when a man has made the supreme sacrifice in the service of Canada, his children especially should be given every chance in life; and an undue burden should not be placed on his widow.

In order to ascertain authentic figures regarding the cost of maintenance of widows and children, the Ontario Command of the Legion conducted an enquiry. This was carried out by a committee under Col. H. R. Alley, former commanding officer of the Veterans' Guard of Canada. It is desired to emphasize that responsible municipal authorities have certified the figures in this report. In brief, they indicate the actual cost of maintaining a widow and two children, in the various cities quoted, is as follows:—

London .....	\$ 91.33 per month
Sault Ste. Marie .....	\$113.70 per month
Niagara Falls .....	\$107.00 per month
Sarnia .....	\$109.25 per month
Owen Sound .....	\$100.00 per month
Stratford .....	\$125.00 per month
Ottawa .....	\$100.00 per month
Guelph .....	\$100.00 per month
	{ \$154.17 per month
Toronto .....	{ Family of widow
	{ and three children

I would draw your attention, gentlemen, to the fact that in every case they show the inadequacy of the amount of pension which is now paid to a widow with two children.

The totally disabled pensioner, with a wife and two children, receives \$127 per month. If he is unable to augment his pension, it will be realized that the same difficulty confronts him—especially when his children reach high school age. It also means that such children, no matter how brilliant, rarely have any chance to obtain university courses and, thus, are practically barred from the professions.

The Legion believes these children should be given generous consideration—especially those who must go through life without their father.

#### *Recommendation:*

That the rate of additional pension should be increased to \$30 per month for every child, and that the rate of pension for orphaned children be increased to \$40 per month for each child.

#### PENSIONS FOR DISABILITY OR DEATH FOR CANADIANS WHO HAVE SERVED IN BRITISH OR ALLIED FORCES

The Canadian Legion recognizes that sections 46A and 46B will provide supplementary pension and the benefits of the Canadian Pension Act in every case where an award of pension has been made by the British Ministry of Pensions or by the pension authorities of the British Commonwealth or Allied Nations, in respect to World War II. We are concerned, however, regarding those Canadians who may not be able to qualify for an award, under the various methods of adjudication in effect in these various countries.

The principle has been definitely established in all Canadian rehabilitation and pension legislation that Canadians shall receive equality of treatment, no matter whether they served in the Canadian forces or not, as long as they were domiciled in Canada, prior to the war, and are now resident therein. It is,



therefore, pointed out to the committee that in the case of men who enlisted in the Royal Air Force, and who were subsequently discharged to permit them to enlist in the Royal Canadian Air Force, there is every possibility that they may be unable to qualify for an award of disability pension even though their disabling conditions may have originated in the Royal Air Force but not causing any disability at the time of discharge. In such a case, the Canadian Pension Commission would only be able to consider whether or not the man had suffered an aggravation, during his period of service in the Royal Canadian Air Force. If such service was in Canada only, he would not be entitled to the benefit of the "insurance principle," and thus might not be able to qualify for an award of any kind.

There is also the fact that, under the pension laws of the Union of South Africa, the "insurance principle" does not apply to cases where the service has been limited to the union. Thus, Canadian nurses who served in the South African forces, with service restricted to the union, would probably be unable to qualify for disability pension, in respect to disease, as it would have to be proven that such disease "arose out of the discharge of military duties."

The Legion also asks the committee to seriously consider the position of the dependents, in such cases where death has removed the men in this category, as it may be difficult to prove such deaths related to war service, under the many varied systems of adjudication in effect in these different countries.

#### *Recommendation:*

That the following proviso be added to section 46A and 46B of the Pension Act;—

Provided that where no pension or gratuity has been awarded under the laws and regulations of the United Kingdom of Great Britain and Northern Ireland, or of the British Commonwealth of Nations or of those of His Majesty's allies, the commission shall be empowered to review an application for pension in respect to disability or death under the provisions of section 11 of this Act, as if the applicant was a member of the Canadian forces.

.....

#### PENSION FOR DISABILITY OR DEATH WHILE "ABSENT WITHOUT LEAVE"

The proposed amendment to section 11, subsection (1) (f) whereby no pension may be paid for disability or death, incurred while a member of the forces was absent without leave, appears to be very sweeping. There will be many cases of extreme hardship if this becomes law. It is conceivable that a man might be only a few minutes absent when an accident may cause disability or death.

The Legion is not objecting to the general principle of this amendment, but feels it will prove too restrictive and cause much injustice.

#### *Recommendation:*

That the term absent without leave be definitely defined in The Pension Act, and shall only include cases convicted by competent authority, where such absence exceeds three days.

The CHAIRMAN: That concludes your submission, does it?

The WITNESS: Yes.

The CHAIRMAN: Does any member of the committee wish to question Mr. Hale?

*By the Chairman:*

Q. Mr. Hale, there are one or two questions that I wish to ask you with a view to having several points cleared up. On page 2 of your brief you say: "—there will be grave dissatisfaction in the years to come on the part of those who have served overseas and, although discharged as 'medically unfit' have not qualified for a disability pension, nor can they qualify for a compassionate pension under section 11, subsection (3)."

Now, you are referring there to people who served overseas where the insurance principle does apply and so I take it that you are applying that to the cases where even, if the insurance principle does apply, but still the person heretofore has not been granted a pension, that he should be given one; is that your idea?—A. Mr. Chairman, the Legion has taken a long view, I might say, of this situation, and we feel very strongly about it. It is true that the man who serves overseas receives the benefit of the so-called insurance principle, but I submit to you, gentlemen, that if you read many of the decisions of the commission you will think as many of these men think that notwithstanding that decision that a disability was pre-enlistment in origin and not aggravated by service, that such a man has given perhaps five years' service of which the greater portion was overseas and is living next door to a man who served six months in Canada, and the man with the Canadian service receives a compassionate award or pension while this man receives nothing—there is a problem which we will have to meet. It is very difficult to explain decisions. My friend, the chairman of the Canadian Pension Commission is here, and I do not wish anything I say to be taken as being critical of the commission particularly. Obviously, their decisions cannot be wholly acceptable to everyone. May I be permitted, Mr. Chairman, to illustrate my point to refer to a specific case, because this is the type of case which the Legion has to meet. I will leave this precis with the chairman. We do not have to mention the man's name. Here is a man who enlisted before the war in the permanent force on May 10, 1937, and he was discharged, after being on active service, on April 24, 1945. His service proceeds and there is nothing of particular interest until 1944 when he has a stomach condition. At that time X-ray shows an ulcer to be present. The history that is given by the man is this: "He has had indigestion with a burning feeling in his throat for many years; has never vomited any blood, but has vomited bile. The attack of jaundice in 1943 was the first real trouble he had ever had with his stomach, and the following month the same type of pain as with the jaundice returned." That is the man's story.

This is the decision of the commission: "According to service documents, the above condition manifested itself in May, 1944. There is a history of the applicant having suffered from epigastric burning pain for many years. There were no signs of activity during service. Ruling: duodenal ulcer—pre-enlistment condition, not aggravated during service."

I submit to you, gentlemen, that notwithstanding the fact that there may be sound medical reasons for that decision, you could never satisfy that man or his friends that a man who served in Canada should receive a compassionate award while this man receives nothing.

Q. Just on that point, Mr. Hale. With regard to the man in Canada, would he receive a compassionate award under the same circumstances? If his condition is related to pre-enlistment conditions would not he be under section 11, subsection 3, too?—A. If it is pre-enlistment, not aggravated, if it was the same condition, he would.

Q. There is no real distinction between the man who served in Canada and the man who served overseas; is that your particular point?—A. On that particular point; but it is a fact that comparisons will be drawn, and it is very difficult to explain to a man with long service how it is that such a decision can

be right. I am not questioning veterans board decision; I am quoting that as illustration No. 1, because don't forget, gentlemen, the Canadian Legion has 300,000 members and 2,000 branches, and when these men fail to receive what they consider is their just due they come to the legion, and so far as this question is concerned it is not a new question, it has always been a burning question with the men who served in the last great war. We are trying by our recommendation here to overcome some of those grounds for complaint; and we feel very strongly that the solution—at least the most reasonable solution for all these difficulties would be to restore the insurance principle, because then the men are treated the same no matter where they served.

Q. On that point, Mr. Hale, to restore the insurance principle as it has always been understood in this country would not cure the situation if the insurance principle were applied to a person who had a malady and a pre-enlistment origin caused it.—A. No, but if our second recommendation receives the consideration of this committee then with a pre-enlistment disability that man would be pensioned because he would have a disability which took place after six months.

Q. That is not a restoration of the insurance principle; that is saying that if a man after service is in need or his dependents are in need, as I understand your recommendation, he should receive an allowance, a compassionate award or a pension, not because it had anything to do with service but simply because he served. That is what I understand by your recommendation.—A. That is true only up to this point. There is a certain amount of responsibility on the state. It is true that, technically, on the decision of the commission, he is not entitled to anything. But I submit that in the days to come you are going to hear a great deal about this from the men who are overseas. We are hearing plenty about it to-day. It is one of the difficult things to understand, that you grant a man who did not serve overseas a compassionate pension; the other man may feel that that decision that has barred him from pension is not sound but he can get no redress, he can secure no assistance.

*By Mr. Mutch:*

Q. On page 3, in regard to the first recommendation, I should like to direct a question to Mr. Hale. The recommendation is that the insurance principle be restored in respect to entitlement to pension in the case of all men and women who voluntarily enlisted in the Canadian forces for service in the second world war. Are we to understand by this that the Legion, as far as I know for the first time, has introduced a limitation or a reservation in their request for the restoration of the insurance principle? I seem to remember during the last few years a good deal of expression of opinion with respect to the desirability of the employment of a system of enlistment which was not voluntary, and you seem to have emphasized in your brief, or I thought you did, the fact that you were not asking for the restoration of the insurance principle to those who were drafted for service. Am I correct in that interpretation?—A. That is correct. For the first time, and after a great deal of study, I may say, the dominion convention of the Legion at Vancouver definitely decided to make that distinction.

Mr. Mutch: Then, Mr. Chairman, I think this committee would be very much interested in some indication of the delineation of the argument which brings the Legion—of which most of us are members—to the conviction that those soldiers who were conscripted and who ultimately served as conscripts, to use that word, are to be distinguished and are to be denied any of the benefits which accrue to any other soldiers. At the moment I am not taking sides on the matter; but I, for one, would be very much interested in what justification the Legion has for that distinction.



Mr. GREEN: That recommendation applies only to those who served in Canada.

Mr. QUELCH: Yes.

Mr. MUTCH: It does not say so.

The CHAIRMAN: It says, "be restored".

Mr. MUTCH: Even so.

Mr. GREEN: It does not affect the man who went overseas.

Mr. MUTCH: No. I see the point of that. In view of the persistent and thoughtful advocacy of the Legion, through its dominion command, of the principle of conscription for service, I should like to have some idea of the arguments which led them to make that reservation.

*By the Chairman:*

Q. Would you care to deal with that, Mr. Hale?—A. Mr. Chairman, the Canadian Legion's opinion is that when a man volunteers for service, he volunteers to serve anywhere, any time, and therefore it is not his responsibility as to where the state details him to go. Consequently the Legion feels that the man having voluntarily enlisted and having obeyed his orders and served where he was told, there should be no distinction in so far as the insurance principle is concerned. That, basically, was the main reason, Mr. Mutch, for the introduction of this new proposal. It is the first time the Legion has made any distinction as between voluntary and other service.

Mr. MUTCH: At one stage, at any rate, the conscripts in Canada, the N.R.M.A. personnel, were eventually made available for service. Will you distinguish between those who for any reason were discharged before the N.R.M.A. were made available for service outside Canada and those discharged after they were made available for service outside Canada?

Mr. CRUICKSHANK: Did any serve outside of Canada?

Mr. MUTCH: Some.

The WITNESS: I can only say that at the time the dominion convention was held, that question had not been settled, nor had that policy been definitely settled to that degree. In other words, that situation was not dealt with.

Mr. MUTCH: I am not quarreling with the decision. I just want to know the situation.

The WITNESS: But it is a clear-cut proposal—I am not making any bones about it—that the man who voluntarily enlisted for service shall be treated the same and he shall have the benefit of the insurance principle. If this committee, of course, feels that is too narrow, or wishes to extend it, that is all right. We are not laying down any proposal with regard to the N.R.M.A. men.

*By Mr. Quelch:*

Q. Mr. Chairman, when the amendment to strike out the insurance principle was before the committee in 1940, you will recall that a great deal of opposition was voiced against that amendment. Finally a compromise was reached by the inclusion of subsection (3) of section 11. It was then felt by many of the committee that the best thing to do would be to watch and see how that subsection (3) of section 11 was administered. I should like to ask Mr. Hale what the experience of the Legion has been in regard to the administration of subsection (3) of section 11. Has the Legion found that, in every case where there have been necessitous circumstances in regard to either the member or his dependents, the widest possible leniency has been given in regard to that question, first of all in regard to awarding the pension and secondly, in regard to the amount of the pension that was awarded up to, of course,

the full amount of pension that could be given, of \$60 a month?—A. Mr. Chairman, the Canadian Legion is quite satisfied that the Canadian Pension Commission has very generously interpreted section 11, subsection (3) of the Pension Act in so far as the awards are concerned, on entitlement. We have felt many times that in some cases the amount of money awarded was too small. They work apparently upon a basis of giving two-thirds of the amount that would be awarded if the pension was awarded as of right; and in the case of widows, with children particularly, you will appreciate how difficult it is for a widow with two children to carry on a home on \$58 per month, which is the usual amount of award.

I must say this, that I think the commission have perhaps gone a good deal further in awarding compassionate pensions and they have been very lenient in their interpretation of the words "necessitous circumstances." I want this committee to clearly understand this, that necessitous circumstances can be interpreted widely or narrowly. We have no criticism of the commission in that respect; but our difficulty with the whole question has been that you cannot explain to a widow who has lost her husband in Canada why she should receive less pension than the woman who lost her husband overseas. And in the case of disabling conditions, the commission arrived at what we thought was a very fair estimate of serious disability. They usually work on the basis of 50 per cent. I was interested in some of the remarks made by members of this committee at their previous sessions with regard to the adequacy of the amounts of pensions and why they were not paid permanently. Well, the answer to that, of course, lies in the fact that the commission can only pay those pensions as long as the necessitous circumstances exist. I think it is a remarkable fact, if you look at the figures, that the great majority of those who would have benefited by these awards have gone to work; and while there are potentially a fairly substantial number who can qualify for this award, and may subsequently do so, it is a very remarkable thing that approximately only 10 per cent are receiving compassionate pensions today.

*By Mr Brooks:*

Q. Do you find that there are a good many veterans who refrain from asking for this pension on account of the words "necessitous circumstances"? Do you find that these men would sooner try to work out a living, although they are in bad physical condition, than admit that they are paupers, or almost paupers, in order to get this pension? I know I have had letters from men who object to the "necessitous circumstances" clause and have not applied for pension because they did not like to be considered almost paupers.—A. Well, Colonel Brooks, that is true. I think that is borne out by the figures. Despite what some people may have said, it is not true that men seek pensions in order to exist rather than work. It never was true. In these cases the amount of money payable is not sufficient to maintain a home, in most of these cases. Therefore the man feels compelled to go out and labour and does so. He only comes back when he is down and out, when he can no longer go out in the labour market.

Mr. QUELCH: Mr. Chairman, might I address a question to Brigadier Melville in this matter?

The CHAIRMAN: It is a matter for the committee to decide, but I think we should conclude the questions to Mr. Hale, and then ask Brigadier Melville to make a submission in answer to these points and answer questions at that time; or perhaps not in answer to the points, but a submission from the commission as to what they wish to say in regard to the administration of the pension legislation. Then he may be available to answer questions.

*By Mr. Croll:*

Q. Mr. Hale, following up what you said about the Legion coming to the conclusion that all men who enlisted for voluntary service should be treated alike, has that in any way changed your views at all on the civil service preference?—A. I think the general secretary had better answer that question. It is out of my field.

Mr. BLAIR: Mr. Chairman, I was interested in the question—

The CHAIRMAN: Before you speak, Mr. Blair, the point that was raised by Mr. Croll naturally occurs to everybody in the committee, but the question is shall we deal with the answer to that question now?

Some Hon. MEMBERS: No.

Mr. CRUICKSHANK: That is a different matter entirely. It is out of order.

The CHAIRMAN: I think it is out of order, myself. Proceed, Mr. Blair.

Mr. BLAIR: Mr. Chairman, I was interested in the remarks of Mr. Hale regarding the so-called insurance principle. As I understand the Act, this applies principally to diseases of unknown etiology, diseases of which the medical profession have no knowledge as to the cause. That might apply to such a thing as heart disease or possibly a case, as he has said, of duodenal ulcer. If a man enlists and proceeds overseas, these diseases of unknown etiology are accepted in the insurance principle but in Canada here they are not. A man with a duodenal ulcer in Canada is not eligible for pension. But if he has proceeded overseas, he is eligible. Diabetes would be another disease that would come in that category. But if a man serving in Canada has an accident and breaks his leg, and the results turn out to be not so good, so that the use of that leg is not as good as it was formerly, that man would be eligible for a pension. Say, for instance, that a man is on guard duty and it has been shown that the weather was bad and he was out in the cold, and he develops a lung condition, possibly pleurisy or something of that kind. There is something direct to go on, and the man under that condition would be eligible for a pension. That is the whole point. The whole matter rests on this question of so-called diseases of unknown origin or cause. If he is overseas he is granted his pension under the insurance principle, unless it is shown that there has been aggravation. The question of aggravation comes in.

The CHAIRMAN: That is hardly right. The case he is dealing with is the case of overseas service, and they ruled it was a pre-enlistment condition.

Mr. BLAIR: Quite right. The question of pre-enlistment condition comes in.

The CHAIRMAN: And that was a case of an ulcer, too.

Mr. BLAIR: Yes.

The CHAIRMAN: I just mention that to you because your argument is based on something else. It is exactly the opposite of the case cited.

Mr. BLAIR: I know. But on the whole that is what happened. If a man developed an ulcer overseas and it was not shown on his papers, or they could not prove that it ever existed previous to enlistment, then he would be eligible for pension. But in Canada he is not.

The CHAIRMAN: I would not make it so sweeping as that.

Mr. QUELCH: He would be if he was in necessitous circumstances.

Mr. BLAIR: According to section 11, subsection (2), he is not eligible; that is, under those so-called diseases of unknown causes. Let us leave out ulcer. Let us say he developed diabetes.

Mr. Mutch: Would you permit a question, Mr. Blair?

Mr. BLAIR: Yes, certainly.



Mr. MUTCH: Is it your understanding that a man who proceeds overseas and develops, for instance, an ulcer, would under the insurance principle automatically get consideration for that? Would he not have to establish, under the present set-up, that it was not pre-enlistment?

Mr. BLAIR: The onus is not on him to prove that.

Mr. MUTCH: I wonder.

Mr. BLAIR: If they cannot find out that there was anything of a pre-enlistment nature, he automatically gets a pension, but it does not apply in Canada. The whole thing revolves around the group of diseases of unknown cause. Where they occur overseas, if there is nothing pre-enlistment, he is eligible to get a pension; in Canada he is not.

I have a case here that I think would apply, and I might say so far as the Pension Commission is concerned, they had to do quite a bit of skating around. They were sympathetic to this man. It is the picture of a man who had service from 1914 to 1918. He is a civil engineer. He was fit following the last war. He enlisted at the beginning of this war, and about the fourth year of the war—he had not been out of Canada—he developed a condition known as coronary thrombosis. That is a heart condition showing arteriosclerosis in the heart. The board, while saying that they did not know the cause of it, said that it was not aggravated by active service in Canada. They have no reason to say that, but they cannot do anything else under section 11, subsection (2).

Mr. QUELCH: Mr. Chairman, in order to get some light on this, may I ask this question? Is it not right that in so far as pre-enlistment origin is concerned, it does not make any difference whether the service is overseas or in Canada? He is debarred from getting a pension.

The CHAIRMAN: That is true.

Mr. BENTLEY: Does not debar him—

The CHAIRMAN: Is that not correct?

Mr. BENTLEY: —from the insurance principle.

Mr. CROLL: Let us get answer to that. Just a minute, please.

The CHAIRMAN: I understood what Mr. Quelch was suggesting is that if the disease is definitely of pre-enlistment origin, then it does not matter whether the man served outside of Canada or in Canada, he is debarred from pension. That is your understanding?

Mr. QUELCH: Yes, except for aggravation.

Brigadier MELVILLE: Except when aggravated.

Mr. CROLL: Yes. That is correct.

Brigadier MELVILLE: There are certain cases pensioned to the full extent under section 11 (1) (c) of the Act.

Mr. QUELCH: That is a point we should have cleared up, because you are taking the stand that it does not apply.

Mr. BLAIR: It does not apply to these diseases of unknown origin in Canada.

Brigadier MELVILLE: In Canada; that is correct.

Mr. CROLL: If they are unknown, how do you expect them—

Mr. BLAIR: But they occur while a man is on duty.

Mr. CROLL: —to say what is the cause of them?

Mr. BLAIR: We do not know. Let us be quite candid about it. But the point is that so far as the Pension Commission is concerned, they have no right to assume they know that they were not aggravated on active service.

Mr. QUELCH: Do you not find that for service overseas they give the soldier the benefit of the doubt, whereas in Canada they do not give him the benefit of the doubt? That is what it amounts to.

Mr. BLAIR: That is so.

The CHAIRMAN: It is hardly that. When they are serving overseas, if it is incurred during service and not definitely of pre-enlistment origin, it is pensionable. If it is service in Canada, then it must arise out of service. They say, "If you cannot prove it arises out of service then, of course you are debarred" because incurred during service does not apply to service in Canada.

Mr. CROLL: Mr. Chairman, the onus changes.

The CHAIRMAN: That is correct, is it not?

Mr. BLAIR: Mr. Chairman, in this case, this man, a qualified officer in the engineers, was examined regularly all the way through. His heart attack happened in September, but as late as April he was examined and he was pronounced O.K. All his Pulhems were No. 1, and his heart was examined. As a matter of fact, he was passed for overseas service. But still the Pension Board—and they have no other option under section 11 subsection (2)—say that this man's condition was not due to active service, although they assume in one place that it might have been aggravated, and later on in their judgment they say it was not aggravated. That is a sample of the thing all the way through. They were feeling kindly toward him but they could not do anything for him. The condition of that man is that while he was an engineer, commanding a good salary, he cannot draw that salary any longer, but sits in an office job on a very small salary, due to his war service.

The CHAIRMAN: Is it your wish, gentlemen, that as we go along, and where the chairman of the Pension Commission feels that he can clear up a point, we should have him speak on these various points that come up?

Mr. QUELCH: That would simplify it.

The CHAIRMAN: Is that satisfactory? Brigadier Melville wishes to try to clear up this point raised by Mr. Blair. Is that satisfactory?

Some Hon. MEMBERS: Agreed.

Mr. BENTLEY: Before Brigadier Melville begins, might I ask one question that is supplementary? Mr. Hale cited a case where the man had served overseas, had enlisted I believe in 1937 and stayed in service until 1945; yet his was given as a pre-enlistment disability because he admitted he had heartburn in 1934, or before that. Would the Pension Commission have discovered that had he been, say, not dishonest but a bit evasive and had not admitted that he had had this heartburn?

The CHAIRMAN: I was wondering, myself. I think we have all had heartburn at times, at one time or another.

Mr. BLAIR: I should like to give the Pension Commission's ruling in the case of the man I referred to, to show the troubles of the Pension Commission:—

After a thorough review of the medical history and new evidence submitted, the Commission agrees there is no record of the condition prior to enlistment. However, the assumption that it had been present for some years—

And mark the word "assumption"

—is based on opinions by the best medical authorities of the present day.

I do not agree with that. They do not know yet. The ruling continues:—

The commission further notes the applicant's splendid record of service—

Notice this.

—but is unable to find the service duties outlined can cause or aggravate a condition diagnosed as arteriosclerosis.

They say that they are unable to find that it can aggravate it. Let us go down to the commission's ruling:—

Arteriosclerosis resulting in coronary thrombosis.

And then note this:—

Pre-enlistment condition, aggravated during service in Canada. Now, it was not aggravated in the first paragraph, and it is aggravated in the last, but it is not pensionable under section 11 (2). The ruling reads:—

Pre-enlistment condition, aggravated during service in Canada, but not pensionable under section 11-2 as the evidence available is insufficient to establish that the aggravation arose out of or was directly connected with military service.

The Pension Board did not know what they were going to do with this man. There is no doubt they felt kindly towards him. There is no doubt that they felt that he should have a pension. They have no reason to believe that they know what caused this. The medical profession do not know. But we do know one thing, that it is coronary thrombosis. You read in the papers every day that some man in civil life, who has taken an active part, has dropped dead. We do know that stress and strain of present day conditions cause coronary thrombosis. If a man cannot get that after five years in the service, then the armed forces must have reached a strage where there is no stress or strain in the service. He must have been living in Utopia. The thing is ridiculous.

The CHAIRMAN: Did you say, Dr. Blair, that you did not want this case to appear in the record? I believe you said that.

Mr. BLAIR: You can call it Mr. B. or Mr. A.

The CHAIRMAN: Incidentally, I wish you would give the name and the file to Brigadier Melville privately, so that he can have it looked into.

Mr. BLAIR: He is quite welcome to the file.

The CHAIRMAN: Would you like to deal with that, Brigadier Melville?

Bigadier MELVILLE: I would be glad to deal with it.

Mr. MUTCH: Before Brigadier Melville answers that, I think there is one thing we should decide first. We have had brought up today a number of cases. When we come to investigate the Pension Act, every one of us has numbers of cases on file, of borderline cases, difficult cases and problems of our own. Should the committee not make a ruling whether, in considering the Pension Act, we will in committee bring up these individual cases? This has no reference to what Mr. Blair has said, because the case he mentioned is kept out of the record at his request. But should we not decide whether or not we will deal in this committee with individual cases?

The CHAIRMAN: I will have to make some very definite rulings, I expect, to try to carry this out, but what I had in mind was this. If a case illustrates clearly a principle that is being debated, then I will let it be brought in and dealt with because it so clearly illustrates the principle we are trying to deal with. But if I feel that it is an individual case which is just purely a grievance and some fault found with the administration, then I have in mind that this committee would not want to set itself up as a sort of board of review or court of appeal. But it seemed to me that this case of Dr. Blair's just illustrated the very principle we are trying to deal with and that is why I thought it would help the committee. That is the principle on which I propose to proceed. It will be very difficult to apply that.

Mr. MUTCH: Most difficult.

The CHAIRMAN: But if the committee is not satisfied with that, it will be quite all right to discuss it and decide right now what basis we shall adopt.



Mr. MUTCH: Mr. Chairman, you may feel equal to carrying out that suggestion, but I do not think anybody could maintain that sort of plan with respect to cases. I do not see any objection to the introduction of a case privately to the chairman of the committee, in order that he may discover the principle; but I am of the opinion, from some experience, that if we are going to get into individual cases it will be a very difficult matter to deal with. I do not know whether you are a Solomon, Mr. Chairman, but I think you will need to be, because every case brought out will involve something, and if you try to rule on it, you will have difficulty. For my own part, I think we should suggest that individual cases should not be introduced. If you allow one person to do that, you cannot very well deny anybody else, and we will spend half of our time challenging your rulings.

Mr. Ross: Mr. Chairman, I should like to support what you said in this case. I cannot just agree with what Mr. Mutch has said. We had two very good examples the other day. This has no bearing on this discussion at all. But it did prove the principle we were contending for, which was very contentious. Both Mr. Green and Mr. Power by references established the principle on which there was some difference of thought by the committee.

Mr. MUTCH: That was very narrow.

Mr. Ross: It was not very difficult, any more than Dr. Blair's was this morning. I think any reference such as that, which establishes a general principle, should be allowed but we should not bring in petty grievances of any sort. That is the only way we can become conversant with and establish general principles. I think it is too narrow an interpretation to say that you will rule out everything of that nature.

Mr. QUELCH: I think it is all right to have individual cases brought up as long as you do not give the names and as long as the committee is not asked to rule on them.

The CHAIRMAN: When I feel that we are getting into too much detail and taking up too much time, I may sometimes make a ruling and you may think it is probably going too far.

Mr. CRUICKSHANK: We will call you to order.

The CHAIRMAN: In order to get over the work, we shall have to apply something of what Mr. Mutch has in mind, so I hope the committee will be satisfied.

Brigadier MELVILLE: Mr. Chairman and gentlemen, I appreciate sincerely on behalf of the commission and for myself the very complimentary references that Mr. Hale has made, on behalf of the Legion, to the work of the commission. He outlined one specific case and I take it that, in line with the discussion, you do not wish me to say anything about that case now.

The CHAIRMAN: Just deal with the principle involved.

Brigadier MELVILLE: Mr. Quelch did, I think, consider that any pre-enlistment condition was not pensionable to the full extent. Am I right in that?

Mr. QUELCH: Unless aggravated by service.

Brigadier MELVILLE: Even so.

Mr. QUELCH: Even then, yes.

Brigadier MELVILLE: Well, I should like to quote from the Act, section 11

(1) (c) which deals with pre-enlistment conditions and reads:—

No deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during the Great War or during the war with the German Reich, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforesaid wars... and further provided

that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was wilfully concealed, was obvious or was recorded on medical examination prior to enlistment.

There are many cases of men with pre-enlistment conditions who served in a theatre of actual war who are pensioned to the full extent of their disability on discharge. But where the disability is obvious or is recorded or was wilfully concealed, then he is just pensioned for the degree of aggravation.

Mr. MERRITT: Does not the Act cited by Mr. Hale apply in the face of that principle where a man was taken on the strength in 1937 and in 1944 he had an ulcer, and it was neither obvious when he enlisted nor wilfully concealed; nor reported?

Brigadier MELVILLE: We are evidently going to discuss this particular case. This is a case where the man had served in Canada only. I think Mr. Hale made that clear.

Mr. MERRITT: Oh, no, he said overseas.

Brigadier MELVILLE: I beg your pardon, he was overseas. There was a record of epigastric distress on service. Now, the man gave that history when he was receiving treatment on service and that history is recorded on his medical documentation. At the time he was discharged, I would take it from hearing the decision, he had very little disability from duodenal ulcer, therefore the commission rules the pre-enlistment condition not aggravated—very little disability at the time of discharge. The man apparently has not proceeded further with his claim for pension. He has that right. The decision rendered by the commission was based on the proceedings of the medical board on discharge. The man has the right to renew his application without any time limitation. He can renew it more than once or he can go to the appeal board of the commission. In that connection I have no information whether he did go any further.

Mr. BENTLEY: This case arose out of the brief, and assuming that the medical inspection officers accepted this man, they would not have accepted him for active service had he had duodenal ulcers because they believe that those ulcers are aggravated by active service; then they discovered that he did have them, or a touch of them before enlistment, but had been accepted as physically fit. How do they arrive at the conclusion that they were not aggravated by service?

Brigadier MELVILLE: Well, that would involve a review of the case, and I would like to have the file.

The CHAIRMAN: I think that is a case of justifying their decision, and they must have some reason for it; but we are getting into the realm of particular cases.

Mr. BENTLEY: There is so much of it.

Brigadier MELVILLE: This man gave a history of epigastric distress which he had not given on enlistment, therefore it would almost appear as if it was wilfully concealed. He, on enlistment, was asked if he had any stomach trouble, apparently he said no.

Mr. CRUICKSHANK: No, not in 1937, they never asked me in 1914.

Brigadier MELVILLE: I am referring to this war.

Mr. CRUICKSHANK: No, in 1937 the war had not started.

Brigadier MELVILLE: When this war started he was a member of the permanent force.

Mr. CRUICKSHANK: He must have been a good man.

Brigadier MELVILLE: When he joined the active force he was examined; he was subject to the full examination on enlisting.

Mr. CRUICKSHANK: Am I to understand that he is not examined in the permanent force? He must be.

Brigadier MELVILLE: He is re-examined.

The CHAIRMAN: As I understand it, the point we are discussing is the suggestion of the Legion—there are two suggestions: one, that this is a voluntary enlistment and they be entitled to the insurance principle; and the other—this is in the first part of the brief—the other is that anybody who served, no matter whether his trouble was of pre-enlistment origin and even if, as I understand, if he has wilfully concealed the ailment, as long as he managed to get into the service and served overseas that thereafter he should be entitled to a pension in respect of that disability. That is my understanding of the second submission. It introduces a principle that if a man entered the service and got overseas he should be entitled to pension for any disability which he, as I take it, suffered from while he was in the service.

Mr. GREEN: Where do you get that? What page?

The CHAIRMAN: Page 3.

Mr. CROLL: Page 4 is their submission.

The CHAIRMAN: It is page 3 on the one I have got here.

Mr. CROLL: Their submission is on page 4, and they did not go that far; they only suggested a secondary examination six months after.

The CHAIRMAN: "That, if the committee do not favour this proposal, then we strongly urge that section 11, subsection 3, be amended to enable overseas personnel discharged as 'medically unfit' to qualify for a compassionate award of pension." Now, that raises the definite proposal that anybody who is discharged as medically unfit should be entitled to a pension whether his disease or disability was suffered by him before enlistment or not.

Mr. GREEN: That would be under section 11, subsection 3—the means test.

The CHAIRMAN: Yes, on compassionate grounds.

Mr. BROOKS: There are two alternative suggestions. I would think we would have to deal with the insurance principle first. If we decide to put the insurance principle through then we do not need to deal with the second one at all.

The CHAIRMAN: They do not affect one another at all.

The WITNESS: I would like to correct you on that. There are two separate proposals but the insurance principle is the one, and that applies only in so far as service in Canada is concerned. We are asking that it be restored. As an alternative we feel that if that is not done we are trying to restore the balance by giving the overseas personnel who were discharged medically unfit an opportunity to qualify under the conditions set out in section 11, subsection 3. In other words, they would have to be seriously disabled, they would have to be in necessitous circumstances and all the rest of it.

Mr. BROOKS: I understand you wish us to deal with both; if we deal with the insurance principle and accept it is that satisfactory to the Legion?

The WITNESS: Oh yes.

Mr. BROOKS: And the second suggestion falls out?

The WITNESS: Yes, it is out.

The CHAIRMAN: It is not the same argument at all, Mr. Hale. You give a pension to someone who has a pre-enlistment condition; he is discharged for that reason; he has seen service overseas, and he is in need; but you give him a pension for that reason because he has seen service. If it had nothing to do with the service, it did not arise in the service, and was not incurred on account of service; if you give a man a pension then what about the man in Canada who had something happen to him during service? Is not he going to turn around



and say: "You gave the pension to the man who got overseas for something he had before he joined the service and the least you can do for me is give me a pension for something that happened to me during service," probably along the line of reasoning that Dr. Blair used—caused by service.

Mr. BROOKS: That is not what he asks for at all.

The CHAIRMAN: I am not speaking of what they are asking for.

Mr. BROOKS: They are asking for voluntary enlistment which means both overseas and in Canada. As long as a man is a volunteer it does not make any difference under this whether he served overseas or not.

The CHAIRMAN: We are being asked by the Legion that if we do not restore the insurance principle then we consider this other proposition. I am saying to the committee that if we put through the second proposition then the first proposal follows inevitably as night follows day; because if we say to a man who got overseas that he is going to get a pension in respect of something that he had before he went into the service—just because he managed to get overseas—can you turn around and deny the pension to a man like Dr. Blair's man who served in Canada for five or six years, who probably got a duodenal ulcer but they cannot prove it is on account of service. The other fellow got across the water. Of course, if you grant the second you have to grant the first. The Canadian Legion, in putting that second one in, is serving the people it is supposed to serve. I want it to be clear, very clear, that if we grant the second we must grant the first.

Mr. BROOKS: Your argument is to grant the first?

The CHAIRMAN: I say that if we grant the second we will have to grant the first.

Mr. KIDD: May I direct a question to Mr. Hale as to recommendation No. 1? I heartily approve of the recommendation of the Legion. I know the case of a boy who enlisted on a Sunday and went to Halifax. We only had four anti-aircraft batteries in Canada; but this boy went down to Halifax and was put on duty; and the question was whether the theatre of war in those days was home service or abroad. This boy was only nineteen years of age and was the son of a widow, but the conditions under which those boys served on the coast around Halifax were not No. 1 by any means. This boy developed lung trouble. He was discharged from the service. His mother felt that this boy could not get proper medical service and he came home and she was responsible for him. I claim that boy is entitled. He was trained in Canada, and that is one of many cases we will have to consider; and I think that this case is not through yet. That boy went down to Halifax and lived under the hard conditions of September, October, November and December, and he deserves consideration. He volunteered for enlistment.

The CHAIRMAN: With regard to the case you are discussing, whether that man was a volunteer or not, all that would be necessary for him to get a pension would be to have a ruling on that case that the pension as a right was attributable to service.

Mr. GREEN: That is impossible in each case.

The CHAIRMAN: It seems to me that you will have very little difficulty with regard to your case. If he does not get it ruled attributable to service and gets it as of right, it was incurred during service, and if his people are in need he would get it under section 11, subsection 3.

Mr. GREEN: It is almost impossible to have a man qualify if his disability arose out of service in Canada.

The CHAIRMAN: That is not correct.

Mr. GREEN: That is my experience.

The CHAIRMAN: Do you mean it is almost impossible to have a man qualify under section 11, subsection 3?

Mr. GREEN: No, not under section 11, subsection 3; it is almost impossible to have a man who suffers a disability through sickness in Canada qualify as a right for a pension as the law stands today.

The CHAIRMAN: As a right? I said he would get one or the other. Brigadier Melville, you have been ruling them available for pension where they take disease which might be contracted through living in barracks and so on; that is correct?

Brigadier MELVILLE: Yes; infectious and epidemic diseases; they get a pension as of right.

The CHAIRMAN: They get it as of right; is that correct?

Brigadier MELVILLE: That is correct.

The CHAIRMAN: That is the answer.

Mr. GREEN: I do not know what the experience of other members have been, but I know the cases that have come to me and it is almost impossible for them to qualify as of right if they have suffered from sickness.

The CHAIRMAN: I think this case which has been brought up by Mr. Kidd is probably one that has not been finally dealt with; and I ask the members to bear that in mind when bringing up cases, because, as Brigadier Melville says, the first ruling is based upon the service documents. After that the man has a right to have a hearing at which hearing he would give evidence *viva voce* and at which time he can give evidence that he incurred this disability during his service, and he may be able to bring forward evidence which does not appear in the service document at all. If we bring forward cases that are now on their way through the machinery, cases which have probably been given the first ruling based upon documents, and before a man has received a hearing before the commission—a *viva voce* hearing under oath—it is going to give a distorted picture; and I would ask the members of the committee that before they bring forward cases they are sure that those cases have been given full consideration by the commission, otherwise we are only going to get a distorted picture.

Mr. QUELCH: I assume that if we agree to the reinstatement of the insurance principle as recommended in section 1 of the recommendation that the Legion might be prepared to withdraw the suggestion on page 3 if they think that condition would be taken care of by the recommendation on page 4.

The WITNESS: Yes. I feel that the greater part of our trouble will be settled if you restore the insurance principle for service in Canada, but I must say there will still remain the dissatisfaction existing in the minds of overseas personnel, because of the deductions for pre-enlistment disability. That is a very rankling question, and I think you gentlemen will understand why. A man undertakes to serve and does serve for a period of three years and he is found fit for every kind of duty required of him, and then he is discharged as medically unfit, and during the time of his discharge he makes a statement, similar to the one made by this sailor to whom I have referred, that he had some kind of pain in his stomach for some years, and on that basis he can have a deduction made from his pension. That is the case that concerns us a great deal. The proposal on page 3, Mr. Quelch, about the enlistment disabilities is designed to support the commission in their agony in trying to see how much deduction can be made. I have great sympathy for them in their job, although, perhaps, they do not sympathize with me in mine sometimes; on the other hand, I can well appreciate the difficulty of sitting down and deciding how much aggravation has taken place and how much of it is to be apportioned to the pre-enlistment condition and how much to the service aggravation. That is what we are trying to avoid

by our recommendation about six months—we put that forward in good faith—maybe six months is not long enough, but whatever it is, gentlemen, we would ask you to give serious consideration to this. Perhaps we might say a year. If any man has served for one year and is then on combat duty, should he not be considered as any man who wore uniform in combat; should he not, when he returns with a disability, be given a pension for that disability? That is the question.

Mr. Ross: I would like to ask a question of Mr. Hale. We did have the insurance principle at the declaration of war, and an order in council was apparently passed in May of 1940 disallowing that principle, is that right?

The WITNESS: That is right.

Mr. Ross: Have you received any reasonable explanation from the authorities of the department as to why that principle was disallowed? We are all very much concerned about getting back the insurance principle, and this is a recommendation of the Legion, and I am wondering if you have had any counter argument?

Mr. CROLL: Can you answer the chairman's question?

The WITNESS: I may say that I was present at a meeting when this was proposed, and the matter was explained to the responsible officers of the Legion at the time, that in April, 1940, there were a large number of injuries which had taken place during service in Canada, and that there were also a large number of cases of sickness which it was felt were not specifically the result of service conditions, and therefore it was proposed to change the procedure; and the order in council was read over to us. I may say, gentlemen, we objected very strenuously and we have objected ever since, and we feel it was a great mistake because it has done something that was never done in Canada before, it has put a premium on awarding pension on other grounds than right. If a man suffers a disability in the service of the state no matter where that service is performed surely he should be compensated. We got away from that principle, and that order in council changed it, and it changed it to something which was much nearer—in fact he had to prove that service was actually the causative factor, as our friend Dr. Blair has pointed out. I must say, gentlemen, that during these last five or six years it has been a tremendous task to try to explain to men who enlisted in good faith and gave good service why they are denied. It is hard to explain that to the widow or the mother who has lost her son in the service of Canada, and it is hard on us at the Legion: we have to say these were the reasons given us. When I appeared before the 1941 committee of this House we tried our utmost then to warn against the inequalities as they would develop. The committee in its great wisdom saw fit to do certain things, and we were very appreciative, gentlemen, of the compassionate award pension. It did fill the need and it did take care of the really bad cases, but it would never be considered as just by the 400,000 or more who served in Canada only and who performed the duties they were asked to perform.

There is one case, Mr. Chairman—and I do not wish to quote individual cases—but there is one case which I would like to leave with you because there are some parts of the decision—here it is an appealed decision—which clearly set out the principle. I think this is an example. This is a case similar to the one quoted by Dr. Blair. I am not mentioning the name, but it is the case of a very prominent officer who is a group captain, and I will say this, that the applicant had a splendid record of service. He served in the R.C.A.F. in Canada from September 4, 1939, to October 29, 1944. Previously he served in World War I beginning with the Royal Navy Air Service. He joined at the age of eighteen in 1915. He was a bomber pilot in 1916 and later a fighter pilot. He was shot down in France and wounded by a bullet in the left chest in June, 1917. He retired from that service in February, 1919. He is holder of the Air Force Cross.



This is the part I want you to understand. This is in the decision of the appeal board of the commission and it clearly sets out their difficulty:—

Having explored every avenue in an effort to find reasonable grounds on which to agree with the applicant and the advocate in their contention that the condition under review arose out of service in Canada within the meaning of section 11-2 of the Pension Act, the board finds it is unable to do this for the reasons already set out. The intention of parliament in putting section 11-2 into the Pension Act is clearly understood by the board and while it is most unfortunate that this gallant officer developed a coronary condition during his military service the board is unable to find that such condition was caused by service within the meaning of the section of the Pension Act . . . .

Gentlemen, I say to you, how are you going to justify to that man and his family this policy and this principle which has been inserted in this Act? I realize, Mr. Chairman, that this is a very controversial subject and one could go on and on and cite hundreds of these cases, but I think the principle is clear-cut, and in so far as the Legion is concerned, we have spent many years trying to adjust individual cases. The commission have gone a long way past where they were a few years ago in this respect: infectious and contagious diseases they have admitted pretty well, but there are the cases of the coronary thrombosis, duodenal ulcers and bronchitis and many other diseases which may be due to exposure but you cannot prove that they arose out of military service in Canada.

The CHAIRMAN: That brings up the question of agreement. There are people who oppose the insurance principle; they say that where it is quite clear that the disability, while it arose during service, was not caused by service, the state should not have any responsibility in the matter except to the extent of looking after a man if he is in need or his dependents are in need. You bring up a case where it is not clear whether the disability was caused by service or not; in other words, you are both arguing at the opposite ends. Would you say—and you are giving evidence on behalf of the Legion—in order to attempt to take care of these borderline cases where, for example, it is not clear whether it was caused by service or not, that the man shall have the benefit of the doubt, and it shall be presumed that it was caused or attributable to service? That would take care of all cases you have in mind. Is it your feeling, Mr. Hale, that the Legion desire to give a pension as of right to a man who only served in Canada, where the disability was not in any way attributable to service, but merely because it arose during his service in Canada? That is getting away from the case of Dr. Blair's, where it might have been caused by service, and getting into the case where it clearly only arose during service and was not attributable to service. Is it the feeling of the Legion that, because a man entered the army voluntarily, he should be given a pension if any disability develops during service, even if it clearly was of pre-enlistment origin? Is it the feeling of the Legion that you should go that far?

The WITNESS: Mr. Chairman, we certainly do not. We do not ask for pensions for a pre-enlistment condition which was not aggravated during service; but we do make it very clear that the insurance principle means that he gets a pension for anything that develops in him during service which causes disability, so long as it is not due to improper conduct. In other words, no matter where he served, he would receive the same treatment.

Mr. BROOKS: Mr. Chairman, may I say a word here? I think what they are asking for is that a man who enlisted and was passed by the doctors should get it. In this war I know, having been in the army, that there was examination after examination. In six months' time, if a man was in the service, he would have four or five medical examinations. I think that what the Legion is asking

for is that after six months, the doctors having found nothing wrong with a man, it should then be assumed that he was in good physical condition and that he should get a pension if anything develops later on. I think that is the principle that the Legion is basing their request on, and it seems to me a very reasonable one.

The CHAIRMAN: Of course, that brings up another case that I intend to ask Mr. Hale about. Does the Legion wish it to be understood that their recommendation on page 4, arising out of what Mr. Brooks has said, should apply to people who did not get out of Canada, namely that if they go into the army they should be granted a pension for disability even if it is admittedly of pre-enlistment origin and can be proved so beyond a shadow of a doubt?

Some hon. MEMBERS: No.

The CHAIRMAN: Just a minute. This is their recommendation.

Some Hon. MEMBERS: No.

The CHAIRMAN: Just a minute. I am asking Mr. Hale, and I want to get clear on this question. It says:

That the Pension Act be amended to provide that, after a secondary medical examination held six months or later after enlistment, any disability occurring thereafter should be considered to have been incurred during service and attributable thereto.

What I am asking Mr. Hale is this: Is it the desire of the Legion that we should understand that to mean that if any disability arises after he has been six months in the service, and nothing appears at all on his background or anything, he should be entitled to pension even although his disability was wilfully concealed?

Mr. CROLL: No.

Some Hon. MEMBERS: No, no.

Mr. ROSS: I think you are being very unfair, Mr. Chairman.

The CHAIRMAN: I am just asking the question, because here is what it says here. I will just read that again because I want to try to get this thing cleared up:—

Probably nothing has created more dissatisfaction amongst overseas service personnel than this extremely contentious matter. Section 11, subsection (1) (c) provides that 'No deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during the Great War or during the war with the German Reich, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforementioned wars, etc., etc.'

That is the general principle of the law as it is today. Continuing:

There are three exceptions in that no pension can be paid for a disability or disabling condition which, at the time he became a member of the forces, was "wilfully concealed", "was obvious" or "was recorded on medical examination prior to enlistment".

The recommendation of the Legion is:—

That the Pension Act be amended to provide that, after a secondary medical examination held six months or later after enlistment, any disability occurring thereafter should be considered as having been incurred during service and attributable thereto.

If that recommendation means anything, it must mean that it takes away the exception, and that is what I am asking Mr. Hale. Is that what he seeks to recommend, and if he does seek to recommend it, does he wish that it should

apply to Canada? In other words, if a person goes into the forces in Canada voluntarily and manages to keep in them for seven months, he would be entitled to a pension as of right, even though he wilfully concealed his disability.

Mr. KIDD: Not wilfully.

The CHAIRMAN: That is one of the exceptions.

Mr. GREEN: Let him answer.

The CHAIRMAN: I should like to have him answer.

Mr. GREEN: All right. Let him answer.

The WITNESS: Mr. Chairman, if you will look at the beginning of the suggestion, our suggestion was only intended to apply to overseas personnel. The suggestion you have made, however, Mr. Chairman, has considerable merit if you will allow me to say so. We have always believed that in this second war the examinations certainly were much more thorough. We had X-ray of the chest and we had a lot of other tests made. While we haven't suggested here in our No. 1 proposal, perhaps this committee might seriously consider this, that if any man has served for one year and at the end of one year is found to be fit in all respects for anything required of him that from there on he shall be pensioned for any disability which might occur; and I suggest to you that it is a reasonable proposal.

*By the Chairman:*

Q. What I am asking is what the Legion is recommending?—A. The Legion is recommending that the insurance principle be restored for service in Canada. That is the first thing.

Q. On page 4?—A. On page 4 we are asking that after a period of six months overseas personnel shall be presumed to be fit, and the only exceptions there would be from there would be the deductions for these exceptions.

Q. That is the only deduction now, isn't it?—A. Oh, yes, but there are more deductions than that. There are deductions for what they call progression of the pre-enlistment condition. In other words, we presume, Mr. Chairman, that after six months a man is fit, there is nothing wrong with him, he has no disability. We pension him just like a fit man.

Let me illustrate my point: if he has a finger off when he enlists the Canadian Legion is not pressing that he should be pensioned for the loss of that finger which occurred before he enlisted, but if in handling a machine-gun or something else, through something that he does during service, he loses the use of his hand then we say you shall pension him for anything that is wrong with that hand—apart from the loss of the finger.

Mr. PEARKES: Mr. Chairman, you referred a moment ago to the opinion of those who were opposed to the insurance principle. So far as this committee is concerned, could we have those mysterious individuals produced here so that they could put forward their reasons for opposing this?

Mr. LENNARD: Mr. Chairman, I would like to know how much longer we are going to have to put up with meeting in this room? I do not know why we cannot have the railway committee room back again. There were times this morning when members of this committee had to stand for a period of fifteen or twenty minutes.

The CHAIRMAN: I am doing what I can about it. I was going to ask Mr. Harris, who is one of our members, to let us have the room back as soon as possible; I feel we are too crowded here. You will remember that we allowed the flag committee to use that room to display their flags.

Mr. CRUICKSHANK: Let them display their flags somewhere else. The flag committee has no priority over this committee which is dealing with soldiers' problems.



Mr. PEARKES: Mr. Chairman, will these people be produced?

The CHAIRMAN: Mr. Pearkes, we cannot have everything done at once, as you know, and people who think the insurance principle should not be extended will give their reasons and the facts in due course.

Mr. QUELCH: It might be well to know where the recommendation that the insurance principle should be struck out originated. You will find it in the 1940 evidence. It is a recommendation from the Department of Finance.

The CHAIRMAN: I am not sure, but it was approved by a parliamentary committee; I know that. I do not remember that it came from there though.

Before we adjourn, may I say that the Canadian Pension Commission have prepared some figures in regard to the enlistments, the discharges and the grants of pension in Canada and out of Canada, and all the facts in regard to the matter that we are dealing with. With your permission, I will table it for the use of the committee, and it will be printed in the record. (See appendix "A").

Mr. GREEN: Could we each have a copy of it?

The CHAIRMAN: Copies are available now and they will be distributed.

Mr. CRUICKSHANK: Mr. Chairman, may I ask if you are going to ask the powers that be that they get that collection of flags out of the railway committee room so that we can get in? You will actually do that?

The CHAIRMAN: Mr. Harris, who is chairman of the committee on the flag, assured us at the time it was brought up in this committee that they would be out of there as quickly as they possibly could be.

Mr. CRUICKSHANK: What does that mean?

The CHAIRMAN: Well, I will convey the feeling of this committee to him.

Mr. ROSS: I move that we adjourn to meet in the railway committee room.

The committee adjourned at 1.05 p.m. to meet again on Thursday, April 11, at 11 o'clock a.m.

## APPENDIX "A"

## SPECIAL COMMITTEE ON VETERANS' AFFAIRS

## CANADIAN PENSION COMMISSION

The following statements are based on the records available as at the 31st December, 1945, for World War II:—

Total enlistments .....	1,140,225
Service—theatre of war .....	551,000
Canada only .....	589,225
	<hr/>
	1,140,225
Total discharges .....	536,506
Service—theatre of war .....	241,893
Canada only .....	294,613
	<hr/>
	536,506
Total discharged on medical grounds .....	163,373
Service—theatre of war .....	49,904
Canada only .....	113,469
	<hr/>
	163,373
Total deaths (includes 9,894 ordinary) .....	41,801
Balance on strength .....	561,918
Service—theatre of war .....	271,681
Canada only .....	290,237
	<hr/>
	561,918

*Disability Decisions Rendered by the Canadian Pension Commission*1. *Service in a theatre of actual war—Outside Canada*

Granted entitlement on treatment rulings .....	162
"          "—First or Initial Hearings .....	36,848
"          "—Second or Renewal Hearings .....	1,333
"          "—Appeal Board Hearings .....	369
	<hr/>
Total granted entitlement .....	38,712
Not granted entitlement, pre-enlistment condition, not aggravated by service .....	7,810
Not granted entitlement for other reasons under Sections 11 and 12 of the Act .....	1,376
(a) not attributable to service	
(b) improper conduct incurred during service—not pensionable	
(c) incurred on special leave, etc.	
Total decisions rendered by C.P.C. ....	<hr/> 47,898

Therefore of all the disability claims considered by the Commission for those discharged after service in a theatre of actual war 81 per cent received a favourable decision.

## 2. Service wholly rendered in Canada

Granted entitlement on treatment rulings .....	158
“ “ —First or Initial Hearings ....	4,016
“ “ —Second or Renewal Hearings. ....	1,024
“ “ —Appeal Board Hearings .....	540
	<hr/>
	5,738
Total granted entitlement .....	5,738
Not granted entitlement, pre-enlistment condition, not aggravated by service .....	54,207
Not granted entitlement for other reasons under Sections 11 and 12 of the Act .....	17,456
(a) not attributable to service	
(b) improper conduct incurred during service—not pensionable	
(c) special leave, etc.	
Total decisions rendered by C.P.C. ....	<hr/> *77,401

Therefore of all the disability claims considered by the Commission for those discharged after service wholly rendered in Canada 7 per cent received a favourable decision.

\* Included in the above figures are 15,602 decisions that the conditions were incurred on or aggravated by service, but not pensionable under Section 11 (2) as they did not arise out of nor were they directly connected with service. Of that total 1,943 disability cases made application under the provisions of Section 11 (3).

*Disability applications—Section 11 (3)*

Granted .....	1,558
Not granted—(not seriously disabled or in necessitous circumstances) .....	385
	<hr/>
	1,943

*Dependent applications—Section 11 (3)*

Granted .....	711
Not granted .....	188
	<hr/>
	899

Therefore over 80 per cent of the disability and 79 per cent of the dependent applications under the provisions of Section 11 (3) of the Act were granted.

The number of awards in payment and the annual pension liability as at the 28th February, 1946, are as follows:—

	<i>World War I</i>	
	<i>Number</i>	<i>Annual Liability</i>
Disability pensions in payment .....	72,531	\$26,528,773
Dependent “ “ “ .....	16,992	10,596,574
	<hr/>	<hr/>
Total .....	89,523	\$37,125,347
	<i>World War II</i>	
	<i>Number</i>	<i>Annual Liability</i>
Disability pensions in payment .....	34,190	\$10,886,413
Dependent “ “ “ .....	16,608	11,837,916
	<hr/>	<hr/>
Total .....	50,798	\$22,724,329



*Awards under Section 11 (3) (included in above totals)*

Disability .....	553	\$	291,483
Dependent .....	653		354,170
			<hr/>
Total .....	1,206	\$	645,653

## APPENDIX "B"

THE CANADIAN LEGION OF THE BRITISH EMPIRE  
SERVICE LEAGUE

## ONTARIO PROVINCIAL COMMAND

REPORT OF COMMITTEE APPOINTED TO EXAMINE INTO PENSION RATES  
FOR WIDOWS AND CHILDREN OF MEMBERS OF THE  
FIGHTING FORCES

1. At the last Provincial Convention, held in Sault Ste. Marie in June, by a resolution the incoming executive was instructed to investigate the adequacy or otherwise of the prevailing pension rates paid to widows and children of men in the fighting forces who lost their lives during the war.

2. Pursuant to this resolution, the Provincial President, under date of July 12, appointed H. R. Alley as Chairman of the Committee, with power to add, to investigate and report to the Provincial Executive on this matter.

3. The Committee's first step was to endeavour to obtain trustworthy figures with regard to the actual cost of living. A letter was written to the Mayor of every City in Ontario asking him to let your Committee have the figures on the actual cost of living for a widow with one child or two children, or more, in his own municipality, and requesting further that if such figures were not now available, the Mayor should convene a Committee within his own City to determine the cost of living as closely as might be.

4. Your Committee is very greatly indebted to the following municipalities for their assistance in this matter:—

London	Owen Sound
Niagara Falls	Stratford
Toronto	North Bay
Sarnia	Ottawa
Sault Ste. Marie	Guelph

(see appendix A)

5. The figures arrived at by these municipalities are as follows:—

*Sault Ste. Marie:*

Estimated cost of living—Widow and 2 children...\$113.70 per month  
Rates recommended for pensions:—

<i>Soldier's Widow</i>	<i>1 Child</i>	<i>2 Children</i>
\$75.00	\$100.00	\$115.00

*London:*

Estimated cost of living—Widow and 1 child.....\$75.53 per month  
Estimated cost of living—Widow and 2 children.....\$91.33 per month

*Niagara Falls:*

Estimated cost of living—Widow and 1 child.....\$91.00 per month  
Estimated cost of living—Widow and 2 children....\$107.00 per month

*Toronto:*

Special report (see paragraph 12)

*Sarnia:*

<i>Soldier's Widow</i>	<i>1 Child</i>	<i>2 Children</i>
\$60.00	\$75.00	\$87.00

Estimated cost of living for widow with 1 child.....\$95.75 per month

Estimated cost of living for widow with 2 children...\$109.25 per month

*Owen Sound:*

<i>Soldier's Widow</i>	<i>1 Child</i>	<i>2 Children</i>
\$60.00	\$85.00	\$100.00

*Stratford:*

\$80.00	\$105.00	\$125.00
---------	----------	----------

*North Bay:*

Special recommendation, but no cost of living figures.

*Ottawa:*

Estimated cost of living—Widow and 1 child.....\$80.00 per month

Estimated cost of living—Widow with 2 children...\$100.00 per month

*Breakdown of Committee's Findings*

Food .....	\$31.50	\$39.00
Rent and Light .....	24.50	31.50
Clothing .....	9.50	12.50
Medical and Dental ....	5.00	6.00
Incidentals .....	7.00	8.00
Insurance .....	2.50	3.00

\$80.00	\$100.00
---------	----------

*Guelph:*

<i>Soldier's Widow</i>	<i>1 Child</i>	<i>2 Children</i>
\$60.00	\$90.00	\$100.00

6. In examining the findings of the various municipal Committees, your Committee immediately ran into the difficulty that there was, in many ways, no common basis for the recommendations. In very few cases was any allowance made for medical or dental attention or sickness. In only one case was any allowance made for the maintenance or replacement of household furniture, kitchen utensils, etc.

7. Nevertheless, it is perfectly clear that calculated on any basis whatever, the existing Pension rates of \$60.00 per month for a widow, \$15.00 for the first child, \$12.00 for the second child and \$10.00 for the third and subsequent children is utterly inadequate to maintain these families respectably and in decent independence.

8. Your Committee points out that there is a tremendous difference between the position of a widow with no children and a widow with one of more children. The problem of living quarters for a woman with no children dependent upon her is a comparatively simple one and the cost of providing such quarters is very much less. Further, a woman with no child or children can, if she is capable, supplement her pension by earnings, and it may be observed here that in all discussions concerning this matter, there was apparent a very general public opinion that it was not unreasonable that she should be expected to do so if her pension proved to be inadequate.

9. The problem facing a woman with a child, or children, is so entirely different and presents so much greater difficulty that your Committee feels there should be a proportionate increase in the Pension rate where there is even one child.



10. Your Committee also feels that as soon as a separate home has to be undertaken and the widow prevented by the need of care for her child or children from supplementing her pension by earnings, the presence of additional children while it increases the cost, does not fundamentally change the problem and that therefore the pension increases for the second and subsequent children can fairly be scaled down.

11. Your Committee regards this point as of the first importance and wishes to lay special emphasis upon it.

12. The most detailed and in some ways, the most useful report received was that sent by His Worship The Mayor of Toronto. It is a study of the cost of the standard of living in Toronto which should maintain health and self-respect, the result of exhaustive studies by the Welfare Council of Toronto, and used by the municipality as a basis for all its own calculations in this regard. (See appendix B).

13. It will be noted that in this report each item of living costs is examined exhaustively, but a summary can be found on Page 31 thereof.

14. As at July 1944 the minimum cost of a respectable living for a family of five is given as \$154.17. Since that time the cost of living index has increased to some extent. This minimum cost can be compared with the existing pension rates for a widow with four children, which would amount to \$107.00. The inadequacy of the present Pension rate is quite obvious.

15. In view of the foregoing, your Committee believes that there are no adequate grounds for advocating an increase in the Pension rates for widows with no children; but that where there is even one dependent child, and the problem of accommodation and widow's inability to supplement her pension by earnings have to be taken into consideration, the pension should be increased to \$40.00 per month in respect of the first child; and to \$20.00 per month in respect of the second child, and \$15.00 in respect of the third child and subsequent children.

16. With the addition of the new Children's Allowance, this would bring the Pension of a widow with children to a figure slightly higher than that considered by competent authorities to be the bare minimum for respectable independence and the maintenance of ordinary health.

17. Your Committee cannot think that Parliament or the country would be satisfied with anything less.

18. Inquiry from the Canadian Pensions' Commission elicited the information that on the 21st of July, 1945, there was a total of 4,301 widows with children in receipt of pensions, of which 2,615 have one child only, 1,062 have two children and the remainder, three or more.

The breakdown of this total by Provinces and with details of the number of children is attached as Appendix C, and your very careful consideration of this breakdown is requested.

19. It will be seen from these figures that the total amount involved by way of additional expense to the Dominion Government for the provision of adequate pensions for widows with children is very small when compared with the total National expenditure; and your Committee feels very strongly that if the facts were generally known, public opinion would unanimously support the increased pension rates suggested.

All of which is respectfully submitted.

H. R. ALLEY,  
*Chairman,*  
*On Behalf of the Committee.*

U. Doc  
Can  
Gov  
Canada, Veterans Affairs, Special  
Committee on, 1946

SESSION 1946

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

THURSDAY, APRIL 11, 1946

## WITNESSES:

Mr. J. L. Melville, Chairman, Canadian Pension Commission;

Mr. J. C. G. Herwig, General Secretary, and Mr. Richard Hale, Chief Pension Officer, Canadian Legion of the B.E.S.L.





## MINUTES OF PROCEEDINGS

THURSDAY, April 11, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Jutras, Kidd, Langlois, Lennard, Mackenzie, Macdonald (*Halifax*), MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Power, Quelch, Ross (*Souris*), Skey, Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Winters.

*In attendance:* Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. J. C. G. Herwig, General Secretary, and Mr. Richard Hale, Chief Pension Officer, Canadian Legion of the B.E.S.L.

Examination of Mr. Hale was continued.

Mr. Melville was called and questioned.

Mr. Brooks moved that the Committee recommend that the Insurance Principle be restored in respect to entitlement to pension in the case of all men and women who voluntarily enlisted in the Canadian Forces for service in the second world war and be made retroactive to May 21, 1940.

After discussion, Mr. Brooks agreed to allow his motion to stand until further representations in respect to amendments to the Pension Act had been heard.

Mr. Herwig was called and questioned.

On motion of Mr. Croll, it was ordered that, at the discretion of the Chairman, additional copies of the minutes and proceedings of any particular meeting be printed.

It was agreed that the suggestion of Mr. Murchison relating to the proposed Bill to amend the Soldier Settlement Act be considered at the next meeting.

At 1.00 o'clock p.m., the Committee adjourned until Tuesday, April 16, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*

*ERRATUM*

Minutes of Evidence, Thursday, April 4, 1946, page 185, line 43 should read:—

*but I do feel they should have representatives on those local committees*

## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 11, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, we will proceed. Mr. Hale is still available for questioning. Mr. Hale, will you come to the front?

I might say, gentlemen, in explanation of our meeting in these cramped quarters today that we agreed to allow the flag committee to have the Railway Committee room, but your observations with regard to meeting in this room were conveyed to Mr. Harris, the joint chairman of the flag committee, and I indicated that we wanted the room back, but in the meantime he had agreed to allow the cabinet to use the room this morning to meet a delegation, so we did not feel strong enough to displace the cabinet for its meeting with the delegation this morning. Therefore, we have to meet here this morning, but after today we intend to take possession of our old room.

Are we ready for the questions to be asked of Mr. Hale?

Mr. RICHARD HALE, Chief Pension Officer, Canadian Legion of the British Empire Service League, recalled.

*By the Chairman:*

Q. Mr. Hale, there is just one question I would like to ask you. You heard what Dr. Blair said at the last meeting of the committee—in the case of a disease of indefinite origin, unprovable origin, arising while the person was on service, the shoe now is on the foot of the person who is applying for the pension to prove that the trouble arose during service if the service was in Canada only, and if he cannot prove that it arose during service he must rely on section 11 (3) and be in necessitous circumstances before he can get a grant. Now, then, the thought occurred to me that if the shoe were placed on the other foot—that unless it can be proved that the disease did not arise during service, then this man should be available to have a pension—would that in your opinion improve the situation?—A. Mr. Chairman, of course what you are now advocating—

Q. I am not advocating anything. Please do not say that. Mr. Hale, I am asking you a question.—A. What you are suggesting—

Q. No, I am asking a question, and I want it to be very clear; I am trying to elicit information.—A. Well, the situation which you have described is somewhat similar to what occurs now as regards a British pension; it is what is commonly described as the onus of proof. In other words, the state must prove that the condition did not arise out of service. I may say, gentlemen, there have been many hot discussions as to the merits of such a system, and the Canadian Legion has religiously stuck to the terms of section 11: "incurred during service" or "attributable to service" or "to pre-enlistment condition aggravated during such service." Now, "incurred during service" is quite simple. The disabling condition is recorded and it is therefore incurred during the period of the man's service and it is on that basis that the insurance principle rests; so that with regard to the question of the onus of proof, it does not always follow, gentlemen, that a man gets a pension. Perhaps this committee in that



connection might invite the British Ministry of Pensions representative to appear before it so that you may have first-hand information from him as to how this operates in regard to their administration. There are certain diseases—and particularly that disease which Dr. Blair described—where under the onus of proof one could visualize the man would not get a pension. If a man serves in a theatre of war and he has coronary thrombosis he gets a pension under the insurance principle. This whole situation arises out of the fact that the insurance principle does not apply to service in Canada. Our remedy is quite simple; we say, restore the insurance principle. I do not believe there is any other way around it. So far, Mr. Chairman, as proving that a disease arose during service, that is not just the case; you have to prove it arose out of service and was directly connected with the performance of a man's duty and it is there where the shoe pinches. In the case which Dr. Blair put to this committee yesterday, I know that case very well. I prepared it for submission to the commission. In the opinion of the Legion we have not hesitated to express our opinion on occasion, and we did so very frankly in that case, and we say that any engineer officer who served for that length of time, considering the type of service that he rendered, it was not surprising that toward the close of his service he developed coronary thrombosis at his age, considering the strenuous character of his service. Now, the Canadian Pension Commission have given their decision and you heard it read that it did not arise and was not directly connected with service, and I submit to you, gentlemen, that no matter how able you may be you will find it extremely difficult to prove to the satisfaction of anybody that coronary thrombosis arose out of or was directly connected with the performance of military duty; because Dr. Blair, an eminent physician, told you that the original cause is not known. Now, there are many other diseases of a similar type and it is very difficult.

Q. On that point, Mr. Hale, if we transferred the onus of proof and said that instead of a man having to prove that his trouble arose out of service that he would get the pension unless the state could prove that it did not so arise, would not that take care of the case that Dr. Blair has mentioned?

Mr. QUELCH: Is not that the situation to-day?

The CHAIRMAN: No, apparently not.

Mr. QUELCH: It is supposed to be.

The CHAIRMAN: Apparently not.

Mr. QUELCH: The Pension Commission gives a decision that in their opinion the disease was not due to war service.

The CHAIRMAN: No, they say it has not been proved that it was caused by war service. In other words, Dr. Blair says that the doctors disagree; they do not know how it was caused; and so the man cannot prove it was caused during war service; and because it is doubtful then he has not made out his case. Now, the thought occurred to me when Dr. Blair was speaking—I thought he had a good point there—that if we transfer the onus of proof, if it is doubtful whether the trouble was caused by war service, then the man gets the benefit of the doubt and unless the state can prove it was not so caused then he gets the pension. In other words, put the shoe on the other foot. What I am asking Mr. Hale is: in the light of your long experience, if you put the shoe on the other foot like that would not that take care of cases such as Dr. Blair mentioned?

The WITNESS: Mr. Chairman, I am bound to answer no, because there are other diseases the origin of which is unknown. But you are saying that the onus is transferred. The Canadian Pension Commission would, therefore, be able to secure more medical opinion, going back into the history of that man, which would be to their satisfaction, at least that the condition arose at some other time and was not connected with the performance of duty. For instance,

take cancer, Mr. Chairman, which presents another difficult question. Who knows where or when cancer begins? We have had a lot of tragic cases of sub-arachnoid hemorrhage where a man drops down and dies within a few minutes. He may or may not have had that condition for some time; but who is going to prove that that death arose out of service? If they change it the other way around, it might appear that the state could not prove otherwise, and our experience has been, gentlemen, that the onus of proof on the state is not a solution to this problem; and that was the reason for my suggestion that you should ask the British Ministry representative to come here. They have been operating under this system for some time.

*By the Chairman:*

Q. What is his name?—A. G. H. Bowler. He could give you some very helpful information. I would suggest to Dr. Blair particularly, if I may, that if Mr. Bowler comes here he ask him particularly what they do under their system with the man who develops coronary thrombosis while serving in a battle area, or one who develops cancer or Hodgkin's disease or some other disease of obscure origin, and see what he says. We have stuck religiously by "incurred during service", and we think that the parliament of Canada was very sound in its judgment in 1919 when it put that into the Pension Act, and we hope to see it fully restored.

Mr. QUELCH: I think we should have a word from Brigadier Melville. I believe Mr. Hale is absolutely right. I should like to hear from Brigadier Melville as to whether in the case referred to by Dr. Blair the reason they refused to give a pension was that to their own satisfaction anyway, whether to the satisfaction of anyone else or not, they have proven that the case is not due to war service. At least it is their opinion, and so I do not think your suggestion would take care of the situation at all.

The CHAIRMAN: Would you care to comment on that, Brigadier Melville?

Brigadier MELVILLE: Mr. Chairman and gentlemen, the Canadian Pension Commission in their interpretation and in their administration of section 11-2 has endeavoured at all times to carry out what they consider to be the intent of parliament. We have broadened our policy, and in that regard I might state that we allow infectious diseases, communicable diseases such as scarlet fever, measles, diphtheria, meningitis, encephalitis, poliomyelitis, rheumatic fever. Cases like that are allowed in as arising out of and directly connected with military service, the reason for that being that we consider in regard to acute infectious and contagious diseases that the soldier is more exposed by reason of the concentration of troops in camps or barracks. I might also say, in considering these cases we are governed at all times by the provisions of section 62, the benefit of the doubt clause, but we have to determine in dealing with claims whether the conditions arise out of or were directly connected with military service.

The CHAIRMAN: The point was, Brigadier Melville, and it happens here that the section says that you must award under 11-2: "... when the injury or disease or aggravation thereof resulting in a disability or death in respect of which the application for pension is made arose out of or was directly connected with such military service." In other words, the man must prove that it arose out of or was directly connected with military service. Now, if he goes so far in his proof that there is a doubt in your mind whether it did or did not you are supposed to apply section 62, which says: "... the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences in favour of the applicant."



Now, the question put to Mr. Hale was this: suppose this parliament went farther and said that unless it is shown that the aggravation, disease or injury did not result from or was not directly connected with military service you must award under that section, would not that permit you to award an allowance or pension in many cases where today you do not, because you say you have not proved it, whereas in the other case you would say to the state: you have not proved that it did not arise or was not attributable? Would not that put you in a much stronger position in awarding a pension under section 11, subsection 2?

Brigadier MELVILLE: I do not consider it would, Mr. Chairman. I think I was perfectly clear in that regard as to the policy of the commission. We work on the principle that that is what the Act calls for, and is what I say we ruled in the particular case that Dr. Blair brought up. As I remember it, the ruling was this: a pre-enlistment condition, aggravated on service but not pensionable because the aggravation did not arise out of nor was it directly connected with service. Now, that decision was given by the commission based on the documentary evidence, the proceedings of the medical board on discharge. The officer concerned had the right to renew his application, and I think he has done so or is doing so. He has a further right to renew it again at any time with additional evidence, or he may appear in person before an appeal board of the commission sitting in his own locality. He then has the opportunity to bring up the factors which he and his advocate consider led to his condition arising out of service. Mr. Hale has expressed the situation very kindly and very favourably as to the action and the policy which is adopted by the commission.

Mr. GILLIS: May I say that I am in complete agreement with Mr. Hale. First, I do not think the insurance principle should ever have been removed from the Act, and I do not think that the suggestion arising out of the chairman's question to Mr. Hale would change the situation one iota. Whether the onus of proof is on the man or on the state, I think the man is in exactly the same position, because the state has at its disposal medical experts who make a decision from a medical standpoint and the man is placed in the position where he has to gather the evidence himself, and in 90 per cent of the cases where the man has to go out and gather medical evidence to offset the evidence on his file and the opinions and decisions of the commission he is not going to be able to get that evidence. To get expert medical evidence costs money, and a man who is suffering from a disability and is endeavouring to establish a pension has not got the money and he is at a great disadvantage. I think the time is past when this committee should be quibbling on matters of this kind. I think what should be done is that the insurance principle should be placed back in the Act, and that every man, regardless of where he served, is entitled to at least a fair break in determining whether he has a disability or otherwise. When you consider the large number of men who served on isolated outposts all over this country, in such places as Newfoundland and Labrador, you must come to the conclusion that those men underwent hardships which they certainly would not have undergone in civil life. There is no doubt in my mind but that a lot of disabilities would arise out of that type of service regardless of the fact whether they were in combat service or not.

Secondly, the insurance principle does not apply in a theatre of war in all cases. Take the large number of discharges—I think the figure I saw was that 25 per cent of all discharges from the service for medical reasons were of a psychopathic nature. A large number of men who came back to this country who are in that condition are not insured. A pension is not established for them. They are not in a condition to gather evidence; mentally they are not fit to do so. In cases of that kind where a man has seen combat service and perhaps came back in that condition, I think he is 100 per cent worse off, in my opinion, than the man who has lost both legs; but under the present



circumstances he gets very little consideration. I believe that we should get down to business and restore the insurance principle; make it retroactive. I appreciate the position of the commission today in trying to administer this Act as it is at present.

Another thing I would like to call to the attention of the chairman of the commission is the fact that in 1942 we removed from the Pension Act the clause which stated that disabilities of a congenital nature would no longer militate against the applicant in determining pension. While that clause was removed, in my opinion the administrators of the Act today are carrying on and making exactly the same decisions for the same reasons in these other cases I have mentioned, cases of nervous origin, and in my opinion in a lot of the decisions the commission are rendering I cannot see how they are reconciling the language at all: incurred on service, no mention of a pre-enlistment disability, but it is not attributable to military service; but in many cases the man was in service four or five years. That seems ridiculous to me. If a man was in the service three, four or five years and he has a disability he incurred it in the service and it is attributable to the service. I think myself we are wasting more money on commissions and boards and advocates chasing around the country and writing a lot of things trying to keep pensions from people who are suffering than we would do if there was a little more latitude given to the commission to sit down and make a reasonable, commonsense examination of a man's file and say, "This man is entitled to something, we are going to give him something", and that is all. I believe that we are wasting more money in administering the Act as it is worded at the present time and we are keeping something from people who are entitled to it than if we change the Act and put it in commonsense language and give the commission the opportunity to do something for people who are entitled to benefit. I believe the only way we can do that is by restoring the insurance principle to the Act, by examining every case as it comes up; and in cases similar to those of the men who served in Labrador and the Aleutians and places like that, there should not be any question whether or not their disability was incurred on service. If they received it in the service it was incurred on service, and they should be entitled to the same disability as the man who had a disability on combat service.

Mr. BLAIR: May I ask the indulgence of the committee while I deal with this matter of medical service. Take the case of a young man who has a subarachnoid hemorrhage, that is a form of stroke; it is cerebral hemorrhage that may occur in a young person, whereas an ordinary stroke occurs in a man with arteriosclerosis or hardening of the arteries. Now, the pensions people have not got any proof that that was not caused by service because usually this weakness shows up, the artery ruptures and people have hemorrhage of the brain; but it is usually connected with strain or stress or physical effort. I recall the case of a boy, a very fine athlete, who suffered a subarachnoid hemorrhage. He had knocked a home run in a strenuous game of baseball and he ran the bases and came in and dropped over with a subarachnoid hemorrhage. That young athlete was a university man, and if he could not make the grade at the university he was going to become a big league baseball pitcher. To-day he is as pitiable a cripple as you could see. Now people do not want the medical record of a man developing a condition like that, they will only say one thing—I am referring to the general public—that he got it in service, and it is a terrible thing that we do not look after him. If you gentlemen were to see some of those cases I do not think the committee would ever hesitate a moment to say that the onus is on this country to look after that man; we must. You can prove that service did not cause the condition; you may call in medical experts, but more or less they are not sure about these things,

they won't say positively that it did or did not result. I maintain that if we consider the case of that man and accidents of that type or the ordinary diseases of unknown origin which occur that there is only one thing they can do to be decent. These cases of duodenal ulcers and diabetes which develop in men will occur with strain and the cases of heart condition will occur from strain also; I do not care what anybody says. When they pin it down they might say this man did not have any particular strain, but a man in the army for five years training troops and that sort of thing has had strain. His life has been different from what it was at home. He has not had his periods of rest. I maintain that we should look after these people. It was incurred in the army. That particular officer had an examination in April. He was passed as A-1 in every regard. If you buy a horse and it goes lame three months afterwards, you cannot go back to the man who sold it to you. There is only one fair way to deal with the matter and that is to give the insurance principle in these cases of disease of unknown origin.

MR. QUELCH: Mr. Chairman, I am very much in favour of the restoration of the insurance principle, but restoration of the insurance principle will not take care of the cases recited by Dr. Blair; because if the Pension Commission rule that a soldier's disability or disease, or whatever it might be, was of pre-enlistment origin, and not aggravated, he would be debarred from getting pension, even though the insurance principle was restored. Therefore I think the only way in which a case such as Dr. Blair referred to could be covered would be by following out the recommendation of the Legion found on page 4 of their brief. I think it is a reasonable one. The soldier is given an examination when he goes into the army. After a period of time he is given a second examination, and if the second examination does not disclose disability or disease, then the condition of that soldier should be considered A-1. And if afterwards he has to be discharged on account of disease or disability, then he should be awarded pension on the ground that upon his second examination he was found to be A-1. I think that is the only way you can deal with it.

THE CHAIRMAN: Before you speak, Mr. Brooks, I wonder if Mr. Melville would just deal with the observation that the restoration of the insurance principle would not assist a man such as Dr. Blair referred to, because it seems to me that it would.

MR. QUELCH: It might assist, but would it cover it entirely? That is the point. I did not say it would not assist.

THE CHAIRMAN: Would you deal with that, Mr. Melville?

BRIGADIER MELVILLE: I think Mr. Quelch in his later few words has changed a little. He previously said "would it cover it entirely?" In the particular case Dr. Blair brought up, the commission ruled it was a pre-enlistment condition aggravated but not pensionable. In other words, he is covered by the insurance principle that applies to those who served in Canada if he ever becomes seriously disabled and in necessitous circumstances. If the insurance principle were fully restored, he would be pensionable. The question to be determined would be: is he pensionable to the full extent or is he pensionable to the degree of aggravation that was incurred during his service? Is that clear, Mr. Quelch?

MR. QUELCH: Yes. But on the other hand, if a pension was refused, even in the case of overseas service where the insurance principle does apply, and the man is discharged on account of having a disease or disability due to pre-enlistment origin and the pension is refused, then the only way you could guarantee that man a pension would be under the recommendation of the Legion on page 4 of their brief.



MR. Mutch: With respect to that recommendation of the Legion, I should like to ask Mr. Hale a question. I should like to ask if the Legion does suggest that after a given period—in this case six months; the brief says six months—the limitations of section 11 (1) (c) shall be wiped out?

THE WITNESS: Mr. Chairman, I think there is a great deal of merit in what Mr. Quelch has said. Of course, these are all different matters actually, but on the other hand, if you started from the basis of this fact, that the man was fit, how do you prove he was fit? On examination going into the service he is pronounced fit. Our suggestion about pre-enlistment disability was designed to overcome this situation which has grown up through the years, where that presumption is made of physical unfitness before enlistment. Often it is based on some facts. Sometimes it is based on medical presumption. Mr. Mutch's question I would answer in this way, that if this committee saw fit to say that no matter where the service was rendered, if after six months the man was still found to be physically fit, then he should be pensioned for any disability which might arise in him thereafter; that would remove from the picture a good many of these cases that served perhaps for a few months and did have some hidden condition which the doctors were unable to find, and that is no reflection on them, gentlemen. There are many diseases that cannot be found on medical examination. If they broke down within the six months' period, then of course that is another point. But the strength of our position is that we maintain that if a man went through basic training and at the end of six months was still found physically fit to carry on and does carry on for a longer period than that, then any disability he may have after that time should be pensionable, and we feel that is a very sound position.

*By Mr. Mutch:*

Q. And you would eliminate section 11 (1) (c)?—A. Yes. We would eliminate section 11 (1) (c) entirely.

MR. BROOKS: I think in this connection Mr. Hale spoke about what they had put in the pension act in England. They covered that presumption there, is not that correct, and said that a man's condition at the time of enlistment was to be taken as his condition for pension later on if anything developed as far as his health was concerned or his physical condition? I have here Sir John Anderson's statement in the British House of Commons in that connection:—

Sir John Anderson explained some of the new features of the British pension law at page 718 of this volume of British Hansard, in these words:—

In the redraft we include certain novel features, entirely in the interests of the claimants. In the first place, we establish two presumptions. The first presumption—I am putting this in non-technical language—is that a man's condition as recorded on his admission to the service was in fact his condition at that time.

That is the first. Continuing:

The second is that any subsequent deterioration in his condition was due to his service.

I think that is what you were suggesting, is it not, Mr. Hale? It would do away with these difficulties that we have as far as our men are concerned, with regard to pre-enlistment condition.

THE WITNESS: Yes.

MR. BROOK: To bring this matter to a head, Mr. Chairman, I should like to make the following motion, and it is based on the recommendations in the Legion's brief. I move that the insurance principle be restored in respect to



entitlement to pensions in the case of all men and women who voluntarily enlisted in the Canadian forces for service in the second world war, and that it be made retroactive from 1940.

Mr. HARRIS: Mr. Chairman, I do not want to speak to the motion. I want to follow up the questioning.

Mr. Ross: I will second that motion.

Mr. QUELCH: On a point of order, Mr. Chairman, I thought at this time you were just confining the proceedings to evidence, and that any changes in the Pension Act would be dealt with when we are dealing with the Pension Act.

The CHAIRMAN: Well, that is what I thought.

Mr. BROOKS: I do not think we decided that. I thought we were discussing whether we would take up these recommendations as we came to them. It seems to me that would be the better way of doing it. There are a great many recommendations in this brief, and if we keep on a general discussion of all the recommendations that are here, we are going to have a lot of confusion. We never decided definitely that we would do that. I think we ought to decide now, whether we will take these recommendations one by one as we come to them, or whether we will have a general discussion. I think we would save a lot of time if we were to take them up as we come to them.

Mr. MUTCH: Mr. Chairman, if I may, I should like to say a word here. The practice in the committee with respect to almost all the briefs that have come before us in the past—and I think it was a good one—is that we should hear such evidence as is to be presented, cross-examine those persons who appear before us, and then deliberate amongst ourselves as to the recommendation which is to be made. As far as I am concerned, I think we should stick to that principle. The basis of all the changes that are to be made in the pension legislation is, I think, founded on the restoration of the insurance principle.

Mr. QUELCH: And the question of pre-enlistment origin.

Mr. MUTCH: Yes. It occurs to me that we ought to continue that practice. I do not rise to oppose the motion of Mr. Brooks. My own views with respect to the insurance principle are well known. But I think we are short-circuiting our own committee if we press that motion at this time. For that reason I think we ought to continue the practice we have always followed, and that is to finish hearing the evidence, to allow each of us to bring up such further evidence in cross-examination as we may desire to do, and then proceed to deal with it.

Mr. GILLIS: Might I say a word on the motion, Mr. Chairman? I think that Colonel Brooks is completely in order at the present time. All of the discussion has revolved around the insurance principle. I think it is proper that we discuss this while it is fresh in our minds at the present time. I think if we decided that now, by this motion, it would prepare our minds and simplify an examination of the Act; because if we restore that insurance principle, if the committee decides on that, then it is going to change our thinking completely with regard to the rest of the Act and will simplify our work. I believe that motion should be put now, in order to let us decide where we stand on that particular point.

Hon. Mr. POWER: As an old-timer, may I refer back to the first discussions on this insurance principle that took place away back in 1919. As a result of discussion on the insurance principle and of complaints made by the Great War Veterans' Association of the day, a commission was set up on pensions and re-establishment, which has been referred to as the Ralston Commission. It went into the matter thoroughly. There are pages and pages on this insurance

principle in the report made by Colonel Ralston and his associates. Perhaps I might read this to the committee. On page 12 of the report the following will be found:—

### THE TWO PRINCIPLES IN CANADIAN PENSIONS.

There were two distinct principles on either of which pensions were granted under the 1919 Act:

(1) The so-called Insurance Principle. On this basis, ex-members of the forces were pensioned not only for any disability "attributable to military service," but as well for any disability "incurred on" service. Canada insured her soldiers for all disabilities incurred by them during their service period, whether or not service in any way actually caused the disability. For example, under the insurance principle, a man was pensioned if he were disabled either as a result of enemy shrapnel or on account of getting a splinter in his finger whittling for amusement, provided it happened while he was on service; and in case of disease, he was equally entitled to pension if disabled as the result of trench feet, or from any ordinary peace-time disease, contracted during his period of service, although service itself may have had nothing to do with it.

(2) The other principle was the "due to service principle," and on this basis pension was only payable where the disability was attributable to, that is, caused by or resulting from military service itself.

That was in 1919. In 1920 the then Pension Board came before the committee and explained that those principles should not perhaps be applied to members of the permanent force who, after the war, had been injured, let us say, playing football. My recollection is that there was a case where a member of the permanent force had been injured while playing football, and as the result of that the committee of 1920, I think it was, changed the Act to cover the case of the permanent force and decided not to apply the insurance principle to the permanent force.

The Great War Veterans' Association complained that the Pension Commission of that day had then entirely disregarded the insurance principle for any injury which appeared after 1919. That brought in a whole list of cases. I think possibly that had the contention of the Pension Commission of that day held, it would have been extremely difficult in after years to get any pensions at all. There were the so-called missing link cases where a man was discharged as fit and there had not been evidence of continuous disability going on to the time when he made his claim for pension. They were being ruled out, and really pensions were very seriously restricted by this amendment which was only intended to cover the permanent force. This commission was set up, and there are pages and pages here. But in order to show what the intention of the legislature was, I have just picked out here what happened while the discussion was going on. Hon. Mr. Rowell, afterwards chief justice, was chairman of the Pensions Committee, and also piloted the legislation through the House in 1919. Here is what he said. It will be found at page 20 of the report:—

MR. ROWELL: Our law as it stands is broader than the pension law in any other country, so far as we know. The insurance feature which I have mentioned is not in any other law, so far as I am aware. In that respect we give the soldier the benefit of insurance during the whole period of the war.



He was referring to the fact that we stopped the insurance principle for permanent force after the war. Continuing:—

Mr. GRIESBACH: That is the principle that underlies all pensions.

Mr. ROWELL: No, the principle underlying all pensions is disability due to service. Under our pension law, if a soldier contracts disease under a purely normal condition, having no relation at all to service, he becomes entitled to a pension. It is really an insurance system.

So the insurance system was the principle underlying pensions as to the first Pension Act, with regard to C.E.F. pensions, when it was introduced in 1919. There have been changes to and fro, but that is the principle under which the original draftsmen of the pension legislation, and they were Mr. W. F. Nickle, the member for Kingston, Mr. Hume Cronyn, the member for London, and Hon. Mr. N. W. Rowell himself. So that they had made a very thorough study of the principle which should be embodied in the Pension Act. As I understand it, that principle remained until 1940. I have not very much to say as to whether or not it should apply to those who served only in Canada, but I do want to point out to the committee that at the time that these Acts were first thought of and were first studied, that was the principle that was carried out.

The CHAIRMAN: If anyone wishes to speak on that, all right. I would say that it seems to me that the proper way to proceed is to hear all the evidence before you make a decision. It is very rare, it seems to me, for a court in the middle of hearing a case, before you have heard all the evidence you intend to hear on a point, to render a decision. So it seems to me that before we should be asked to decide on a question like this, which I am sure must be new to some members of the committee even though it is not new to Mr. Brooks, we should hear all the evidence. I am sure most members would like to hear all the evidence and have the thing thoroughly discussed; that they would like to have a chance to ask questions of not only Mr. Hale, the representative of the Legion, but as he suggests himself, a representative of the British pensions administration and to see what he has got to say to help us out in the coming to a decision on this matter; and that they would like to hear anyone else that any member of the committee might wish to have heard.

I am in your hands in the matter, of course. If it is felt that everybody here is so familiar with the matter that no witness can help him to come to a wise conclusion on it, there is no use our wasting any time, of course. But we have in this committee many members who have not had the experience of sitting on committees and have not the familiarity with the Pension Act possessed by Mr. Brooks who has been a member of parliament for the last 11 years. It seems to me that the proper way to proceed is to hear all the evidence before we undertake to make any decision in regard to a particular matter which we hear evidence about. That is what seems to me to be the right way to proceed. Mr. Brooks has made a motion, and we can immediately cease hearing evidence and start discussing the motion, but it seems to me it would be better to go on hearing the evidence and discuss the motion after we have heard the evidence.

Mr. BROOKS: Do I understand, Mr. Chairman, that you are agreeing that when we complete all the evidence on this insurance principle and after—

Mr. CROLL: On that brief.

Mr. BROOKS: No. We are talking about the insurance principle. The chairman said we should hear all the evidence on the insurance principle and then be prepared for the motion. I did not understand him to say that he wanted to hear all the evidence on the brief. That is not what the last argument was. His first one was that we hear all the evidence on the brief. I think we ought to decide definitely whether we are going to take these principles one at



a time or whether we are going to hear all the extensive evidence on all the principles and then decide on one particular one. I think Mr. Gillis has the right idea when he says that this is the key principle and that once we get this settled it will be much easier to settle the other principles. I made my motion, Mr. Chairman, simply to bring the matter to a head, so that we could decide on this insurance principle, and I do not think that we should waste days discussing all the general principles before we come to a decision on that particular one.

Mr. Ross: Mr. Chairman, I rise to support Mr. Brooks' motion, having seconded it myself. I am one of those who are great believers in committees such as this where we can get all the evidence and much information that we cannot get, for instance, on the floor of the House. On the other hand, we have discussed this for a couple of days now, and I think we should decide, as Mr. Brooks has pointed out, whether we are going to take these recommendations of the Legion item by item, or whether we will just simply go through them all and have them all mixed up in our discussions. I think Mr. Brooks' motion is rather timely. He does not have to press a decision right now if there is more evidence to be heard on that recommendation which is that the insurance principle be restored in respect of entitlement to pension in the case of all men and women who voluntarily enlisted in the Canadian forces for service in the second world war. Surely we can take our evidence and ask questions on that item alone, and then decide whether it should be restored or not. Would that not seem to be the logical thing to do? I thought we had heard most of the evidence, but if there is more to be heard, surely we can do that. I think we should hear all the evidence bearing on this item and then dispose of this matter one way or another.

The CHAIRMAN: The only question is this. There are other representations, as the committee will remember, from other veterans' organizations. It seems to me that, before we deal with this matter, the logical thing to do would be to hear all the representations in regard to the Pension Act by everybody that we think we should hear; and that then, as a committee, we should get down to business and decide on specific recommendations. It seems to be the feeling of Mr. Brooks and Mr. Ross that we should just take the Legion's brief and base our deliberations entirely on that. But I would recall to the committee that we have heard representations from other groups and we should bear them all in mind. My opinion is that we should not begin to make our recommendations to the House of Commons until we have heard all the recommendations. With all due deference to the Legion, I do not think that we should simply tie ourselves right down to only the things they recommend.

Mr. Brooks: That was not my suggestion at all, Mr. Chairman.

The CHAIRMAN: Because I definitely recall recommendations by other organizations which were made last fall, and which seemed to me to be very reasonable. It seems to me that rather than try to separate certain things out of the different briefs and say "We will decide on that now and hear further representations later on," it would be better to hear all the representations first. We will not forget them. Then we can start to make decisions. That would be my idea of the best way to proceed.

Mr. Croll: Mr. Chairman, I think that we are getting away from the usual practice in these cases. I am a new member of the committee, and I must admit that I know very little about this Pension Act. It baffles me constantly. Whenever I think I have grasped a thing, I find that the pension commissioner says I have not, and he is the last word on it. The result is that I find difficulty in understanding the general application of the Act. It takes a little time to become familiar with it. There may be others in the room who are in the very same position. In the past we have heard all the representations.

I am a great believer in the insurance principle, as I think you all know, but I did not know what it meant until a week ago, until I looked it up in the minutes. Then I heard Hon. Mr. Power explain it further this morning, which made it much clearer even than the knowledge I had obtained in the text. But I do not entirely agree with the wording of this motion. I do not agree with your word "voluntarily". I think you are limiting it. There may be others in this room who may not agree with that particular wording. I do not want to be in a position of offering an amendment and throwing the thing wide open. I want to see figures as to how many we had who were volunteers and how many were not. I think we are limiting ourselves. If we are going to extend the benefit of this insurance principle at all, then we ought to extend it *holus-bolus* and not limit it to any particular group.

I think there is too much haste to get down to this particular thing. I do not know that there is any opinion in this room at all against the insurance principle; at least, I have not heard any opinion against it. I think we are pretty well agreed that it ought to be accepted. But I think we ought to do it in the face of the whole brief, and that we ought to get some more facts. Otherwise we are put in the position where, in order to get those facts, we have to stand up here and continue to question on the motion. I think, in view of the co-operation that we had from the members of the committee in the past, we ought to continue to have it in the future. This committee has always worked on the basis that what is good for the soldier is our interest. In view of that, I think Mr. Brooks ought to allow this matter to stand until we have heard this brief and exhausted it. The welfare of the soldier is, I think, closest to our minds and closest to our hearts, too. We are not going to overlook that.

This is the most important thing in the whole brief, in my opinion, and we will deal with it at the proper time, and I think we will deal with it to the satisfaction of almost all the members of the committee. But if you have this brought up out of its proper order the impression might be given that it is being rammed down, rather than handed out in the ordinary course of proceedings. I think we ought to consider the whole brief. We have never, to my knowledge—and I have attended as many meetings as I could, and they have been quite a few—dealt with one particular portion of a subject, no matter how important it has been, without going into the whole thing; and then at the end we sat down and dealt with the matter and decided exactly what we ought to do. I think there is far too much haste in this particular matter; and I think Colonel Brooks ought to let it stand for the moment and let us go on with our questioning for the purpose of getting information. Let us hear whoever we want to hear, and then decide the matter.

MR. BROOKS: Why do you not make a motion to that effect?

MR. CROLL: I do not want to throw it open on the floor.

MR. QUELCH: I want to make it quite clear that I am supporting the restoration of the insurance principle. I took a distinct stand in 1940 and 1941, and I am on record with regard to it. There are two differences of thought on the question of the insurance principle. Some people are very emphatic that the principle should apply to all men, whether they volunteered or were conscripted. I think we should hear evidence on both sides. We have not heard evidence on the other side. I should say, so far as the question of pre-enlistment origin is concerned, that there seems to be a stronger argument in favour of those who were conscripted than for those who volunteered; because nobody could argue that a man who was forced to enlist against his will would not have disclosed any disability that he might have had. Certainly he would, in order to try to get out of the army. There is a point there that should be discussed before we vote; and to vote at this time is unquestionably creating a precedent. Never since 1936 have I known a committee to take a



vote on any one part of a recommendation of any organization. We heard all the evidence of the various organizations. Then we decide we will take up the bill. Then we generally held a meeting in camera, although I am opposed to that, and discussed the bill; then we start making amendments to the bill. I think we should hear all the evidence on this question. We are discussing the question of whether or not the insurance principle should apply to those who have volunteered and we should also discuss the case of those who have been conscripted. Then we would deal with the question of pre-enlistment origin, we should hear evidence regarding conscripts as well as those who volunteered. Then, when we have heard all the evidence of the various organizations, let us start making motions to make amendments. I think it is really out of order to do that now.

Mr. BROOKS: Mr. Chairman, are you having any delegations appearing before the committee who will present the case of those who did not voluntarily enlist?

The CHAIRMAN: That is a matter for this committee.

Mr. CROLL: As a matter of fact, I am prepared to present that case at the proper time. But I do not think this is the proper time. I am prepared to present the case on behalf of those who were called up, who served the country in accordance with the law of the country and who ought to have the same benefits, who ought to have the benefit of the insurance principle and the benefit of the Pension Act. I do not want to put my friends in the position where they oppose it, unless they want to. They may. But I think we would be in the position where we could perhaps agree amongst ourselves, as we have always done, as to what the word "voluntary" means. I could say a great deal about it, and I am prepared to say a great deal about it from the point of view of a member of the Legion, from the point of view of the country, and from the point of view of the Legion. We have acted in that way in the past, and I think we should hear the brief, discuss it amongst ourselves, and then come to some decision. We may be able to find a common meeting ground, as we have often done in the past.

Mr. BELZILE: Mr. Chairman, with regard to the point raised by Mr. Croll and Mr. Quelch, I think we should get all the evidence relating to the conscripts. I can easily understand the sentiments of the Legion on this subject, most of its members were volunteers, but quite a few soldiers served according to the law of this country. We are legislators here and we have to apply the law to all the people in this country, and especially to those who obey the law. I feel very strongly about this matter; I feel that it is only fair play to hear all the evidence on the subject. I might say that I am rather favourable to the insurance principle, and I feel that we should consider the matter very carefully; but I do think that nobody who served in the army during the war should be discriminated against in any way. Therefore, I do not want to make any motion or any amendment to a motion, but I think we should hear all the evidence that can be given in this regard.

Mr. BROOKS: Mr. Chairman, I am willing to have my motion stand over.

Mr. CROLL: Yes, that is good.

Mr. WHITE: I should like to ask Brigadier Melville a question as to the way in which the insurance principle is applied by his commission at the present time. Two years ago at Christmas time there was a wreck on a train at Almonte, and on that train there were troops who were on Christmas leave and there were also troops who were being moved from place to place and were on duty. I understand that some troops on leave and some troops who were being moved in the course of duty were injured and that there were some fatal casualties. As I understand it, under the present law, the troops who were being moved were on



duty and therefore they would receive the full benefit of the Pension Act whereas the troops who were on leave would not have the benefit of the Pension Act except and unless they could qualify under the present section 11-3. Now I would like to point out to Brigadier Melville that while those troops were on leave they were still in the army, they were still paid by the army, and were subject to military law; and I should like him to explain whether he pays any attention to the fact that the army should accept some responsibility for having placed those men in that position—in a place where they were subject to incur this accident? Further, would Brigadier Melville explain whether, if the insurance principle were restored, these men who were on leave and were injured in that train wreck would be entitled to pension?

Brigadier MELVILLE: Mr. Chairman, I am pleased to be in a position to answer that question—not only to answer it but to answer it favourably. The Canadian Pension Commission considered that the men on that train, were returning from leave, and that was due to the compulsion of service, and their disability or death arose out of or was directly connected with service and was therefore pensionable. I can go further to make the position clear with regard to leave. The man in the forces is subject to compulsion of service. He has to go from "A" to "B". He is granted a pass to go on leave, and if he meets with an accident going to or returning from that leave, although service was wholly rendered in Canada, we consider that arose out of and was directly connected with service, and is therefore pensionable.

The CHAIRMAN: That is as of right?

Brigadier MELVILLE: Yes.

Mr. QUELCH: When was that attitude taken? Because in 1940-41 some cases were brought up where men were disabled or suffered an accident while on embarkation leave and were reported as being unable to have a pension on account of the insurance principle not applying. That was in 1940-41. Now, has there been a change in the attitude on the part of the commission since that time?

Mr. Mutch: Whilst on leave must be distinguished as between going and coming. If he is finishing he is not under orders.

Mr. QUELCH: In 1940-41 there were one or two cases brought up where a man was given embarkation leave and on the way home he got run over, and he has been refused on the ground that he was not qualified. The statement made by Brigadier Melville now must mean that a change in the attitude of the commission has been made since 1940-41.

Brigadier MELVILLE: As I stated earlier, the commission has endeavoured in the broadest possible manner to interpret the wishes of Parliament and the people as to the interpretation of this particular section. There was a limitation, and to be perfectly frank, in the early days a pension was awarded when the disability or death was incurred while a man was returning from leave.

Mr. QUELCH: When you changed your decision or your attitude did you make that change retroactive to take care of these cases in 1940-41?

Brigadier MELVILLE: We always do. We try to make it our business to go through the records of all the decisions which were rendered and where there were refusals, the commission immediately reviews and adjusts.

Mr. WHITE: I referred a moment ago to a soldier going on or returning from leave, he might be hitchhiking, and suffers an injury in a car, and I know there are many such cases; what is the attitude of the commission in a case like that?

Brigadier MELVILLE: We have had such cases, gentlemen. In some the ordinary means of conveyance, the common carriers, have not been available. A man has received a pass to go from "A" to "B", and in the course of

transit from "A" to "B" he suffers disability or death; we have looked favourably upon such cases. Each is considered on its merits. We have to take into consideration all the circumstances. A man might be on leave, in his own home and in hanging up a picture falls off a ladder and fractures his leg; that does not arise out of his service, but he was on leave.

Mr. WHITE: These awards are not made under Section 11-3?

Brigadier MELVILLE: No, they are granted as of right.

Mr. CRUICKSHANK: If a man is granted leave, farm leave, is he on duty; and if he is hurt while on that farm leave is he eligible?

Brigadier MELVILLE: No, there is a distinct difference. When a man is granted farm leave he is granted that by the army under the provisions of an army order, and that order says that he is on leave of absence without pay and he is not entitled to a pension. But if he is ordered out on farm leave that is entirely different. In that case if he meets with disability or death he is pensionable.

The CHAIRMAN: That is covered, Mr. Cruickshank, by Section 11-1(f):—

No pension shall be paid for disability or death incurred by a member of the forces,

- (i) while on leave of absence without pay, or
- (ii) when such member of the forces has, during leave of absence with pay, undertaken an occupation which is unconnected with military service, unless his disability or death was attributable to his military service.

In other words, if he were ordered to take part in farm work when he was on leave of absence with pay or without pay then I presume it would be attributable to military service.

Mr. CRUICKSHANK: They were ordered to do this class of work on railway sections.

The CHAIRMAN: Of course, if they are ordered to do it because they are members of the army then it is attributable to their military service.

Mr. CROLL: May I ask this question? Brigadier Melville, you handed out a brief yesterday—I do not know whether everybody received it or not—have you that there?

Brigadier MELVILLE: Yes, I have it.

Mr. CROLL: This brief contains the total enlistments in a theatre of war. Then you have Canada only. The total enlistments number 1,140,225; service in a theatre of war, 551,000 approximately; Canada only 589,225. I am asking for a breakdown of that figure between the volunteers and others?

Brigadier MELVILLE: Which figure?

Mr. CROLL: The 589,225.

The CHAIRMAN: Service in Canada only?

Brigadier MELVILLE: I have not the figures to break that down at the moment, probably for this reason, that in the definitions of the Pension Act "a member of the forces" is defined as "any person who has served in the naval, military or air forces of Canada since the commencement of the great war". I shall be pleased to get that information for the committee. I think that is an important definition.

Mr. CROLL: Mr. Hale would have known about that.

Brigadier MELVILLE: That is in the definition section 2 (i).

Mr. CRUICKSHANK: What is the Legion's interpretation of voluntary service? I understand that these men, the N.R.M.A., were originally given a week, is that not correct—

An Hon. Member: A month.

Mr. CRUICKSHANK: A week after they got their final notice during which time they could join the three branches of the service; are they volunteers?

The WITNESS: Mr. Chairman and gentlemen, the Legion's interpretation of a volunteer is any person who voluntarily offers himself for service. Now, you know well that many of these boys did receive the call for service—for compulsory service; in the meantime if a man volunteered and offered himself for service he is a volunteer, and that has always been our position.

Hon Mr. POWER: You discriminate against the army man because a great many of those call-ups went to the air force; as soon as they got their notice they went to the air force, that is how we got recruits so often. A good many of them went to the navy. If a poor devil went to the army and stayed there and could not get into the air force or the navy he could not get the same conditions.

Mr. CRUICKSHANK: I would like to answer the question asked by Mr. Power. Most of them wanted to go into the air force because they had a prettier uniform.

Hon Mr. POWER: Tut, tut.

Mr. CRUICKSHANK: It was the poor devil who could not get into the air force or the navy who had to join the real soldiers, the infantry later or be classed—

Hon Mr. POWER: He had to go into the infantry because he was going there anyway, so he says, "I might as well wait my thirty days and let them come and get me".

Mr. CRUICKSHANK: He is a volunteer as much as the air force man.

Hon Mr. POWER: Only he did not go through the form of volunteering.

The CHAIRMAN: Suppose we have an answer from Mr. Hale on this question?

The WITNESS: Mr. Chairman, I should hate to believe that any member of this committee would think that the Canadian Legion has any definite feeling particularly with regard to the N.R.M.A. man other than this, that the Legion is composed of men who voluntarily offered themselves for service. You can well understand, therefore, the Legion's feelings with regard to volunteers. But you will also remember, gentlemen, that during the war the Canadian Legion most emphatically and very definitely on each and all occasions, perhaps, embarrassed the government by trying to insist on total and all-out conscription. So please remember that. I suggest, Mr. Chairman, that if this committee in its great wisdom see fit to adopt the Legion's recommendation about voluntary service you would have of necessity have to define for yourselves what "volunteer" means.

Mr. CROLL: Mr. Hale, I understood you to say in your statement that the Legion consists of volunteer men; that is not my impression. There are many men in the Legion who were not volunteers, across the whole country.

Mr. QUELCH: How did they get in there?

Mr. CROLL: I am sure that must be so. Do you mean to tell me that a man who was not a volunteer is not permitted in the Legion?

Mr. MUTCH: The position is that one of the chief defects—

The WITNESS: Under the Legion constitution at the present time, no.

Mr. MUTCH: The question is, is the Legion having advocated conscription as the full duty of a citizen now denying to the conscript association with the the rest of us—have you answered that? You do not need to answer that, because you have already answered it. As a member of the Legion I must say I do not like that. Further to the question which Mr. Cruickshank asked, I think the legal position of a conscript in this country is that eventually he had the opportunity of volunteering up to the time he was putting his foot—someone said, stepping on the gang-plank. Now, are we to interpret this word "volunteer" in the recommendation of the Legion as excluding anyone who got the call-up?



If we are, if that is the suggestion, then I suggest to Mr. Hale very sympathetically that when he made a positive recommendation to this committee for an amendment to the Act, he should be prepared to justify his own recommendation. I think we are capable of defining it in this committee, but I do not think it lies in his mouth to suggest that it is our responsibility to do it, since he is making a definite recommendation. I have seen thousands of volunteers' call-up cards sent back to the local boards and the remark was that they were now in the service of His Majesty's forces. In the army itself there were volunteers under compulsion, if you like. Mr. Power used to boast that he had not any conscripts in his air force when he was minister, and now he admits that he got more recruits from the N.R.M.A.—

Hon. Mr. POWER: I will say a lot.

Mr. MUTCH: I have knowledge of one occasion when we changed over from a thirty-day draft to four months that there were 8,000 volunteers for the air force in one week. I know what I am talking about. I am one of those who objects to the introduction of this word "volunteer" in the recommendation of the Legion and in the motion which is now before us, for the very reason that I think, as a member of the Legion, that we have to be consistent. Perhaps we have not always been so, but if we are going to say that the proper method of directing a man to do his duty is to say when and where he is to go—I have no quarrel with that—then we have to assume responsibility for him if he obeys the laws of this country that we have advocated. For that reason I was anxious that we have further discussion with respect to this matter. Now, Mr. Hale, I think if we are going to have a positive recommendation the members of this committee should know—most of us are Legionnaires—as definitely as possible where the Legion draws the line. Personally, I do not draw it anywhere.

Mr. J. C. G. HERWIG (General Secretary, Canadian Legion): Mr. Chairman, I think this question, as far as the Legion is concerned, needs some clarification within the Legion itself. Now, before the last war the Legion accepted membership from those who were called up under the M.S.A. as well as from volunteers. They did not always do that. They changed at one time—I am not sure of the date but I think it was 1926.

Hon. Mr. POWER: It must have been later than that.

Mr. HERWIG: No, I think not. The idea was that the Legion would become the forum for all men who had worn the King's uniform. In other words, after the feeling regarding the M.S.A. had gone by the Legion took that attitude.

Hon. Mr. POWER: Is it not a fact that they did not accept anybody who had not served overseas in the beginning?

Mr. HERWIG: Yes.

Hon. Mr. POWER: That was fought out for several years at many Legion conventions.

Mr. HERWIG: And then the Legion became very liberal after it realized its mistake. Later they became quite conservative. During the period when the issue of conscription was being discussed back and forth between Legion branches and the conventions they all made a distinction with respect to the fellow who did not volunteer. Now then, I think the man we will accept for membership will be any man who at some period of his service did volunteer. There was a period as someone mentioned as being right up to the gang-plank, who went active, as is said in the army—

Mr. CROLL: What about the fellow who volunteered in Belgium or in Holland?

Mr. HERWIG: There is going to be a discussion at the forthcoming convention. It is quite possible that the Legion will return to the pre-war condition, but you have to give time for sentiment to settle down.

Mr. Mutch: What will our position be if we pass legislation limiting as regards to volunteers, and the Legion decides to urge that we admit everybody?

Mr. Herwig: That is why I think you will realize that the sentiment is in a state of flux.

Mr. Mutch: We are asked to do something to the Pension Act. Mr. Hale cannot say anything practically but that he wants this done for the volunteers.

Mr. Green: I would like to address one or two questions to Brigadier Melville having to do with the insurance principle and with this question of pre-enlistment disability, and the questions are based on the statement given to us by the Canadian Pension Commission at the last meeting of the committee. Mr. Croll has already referred to the decisions. On the first page it shows total discharged on medical grounds up to December 31, 1945, as 163,373. Of that figure 49,904 saw service in a theatre of war and 113,469 saw service in Canada only. I want to deal with the latter figure first. Turning to page 2 of the statement it shows that of that total of 113,469 discharged in Canada on medical grounds only 77,401 have had pension applications considered by the commission. That means that there are apparently 36,068 such cases that have not yet been dealt with by the commission; and of the 77,401 who have been dealt with, 17,456 have been refused pension under sections 11 and 12 of the Act. Further down on page 2 we find these words: "Included in the above figures . . ."—that is included in the figure of 17,456, I take it—". . . are 15,602 decisions that the conditions were incurred on or aggravated by service, but not pensionable under section 11 (2) as they did not arise out of nor were they directly connected with service." Now, Brigadier Melville, does that mean that those 15,602 men were unable to qualify for pension because the insurance principle did not apply in Canada?

Brigadier Melville: Mr. Green is absolutely correct. I endeavoured gentlemen, to prepare a statement with regard to questions I have been asked on this very subject. These are actual decisions of the commission, that the disability was aggravated or incurred during service wholly rendered in Canada. If the insurance principle were restored these men automatically would be entitled to pension.

Mr. Green: In addition to the 15,602 who qualified for pension, if that insurance principle were replaced in the Act for those who served in Canada, am I fair in saying there would be quite a large percentage of the 36,068 cases which have not yet been dealt with which would also qualify if the insurance principle were re-enacted?

Brigadier Melville: Mr. Green, you refer to the fact that there were 113,469 who were discharged on medical grounds whose service had been wholly rendered in Canada?

Mr. Green: That is right.

Brigadier Melville: And up to the 31st day of December last year the commission had rendered a total of 77,401 decisions?

Mr. Green: That is right.

Brigadier Melville: You refer to the difference?

Mr. Green: Yes. Does that figure of 77,401 contain any duplications—that is, where application has been made by some man more than once?

Brigadier Melville: No, actual cases.

The Chairman: There are 36,068.

Mr. Green: That have not been dealt with.

Brigadier Melville: There are many cases of men who have been discharged on medical grounds for whom the commission has rendered no decision. Let me explain why. Service has been wholly rendered in Canada. It may have been



one, two or three months' duration. The discharge has been carried out; why? Emotional instability, etc. There were thousands of cases of psychopathic personality, inadequate personality, temperamental instability, etc. The commission considered it would be most unwise in these cases to automatically send out a letter stating that this was a pre-enlistment condition not aggravated, because on a review of the file there is no disability, their mental level is the same as it was at the time of enlistment; they have only been a few months in the service. Therefore, we did not send out a decision; we reviewed the file. Every case has been reviewed.

Mr. GREEN: Were not many of these men dismissed on the ground that they would not become efficient soldiers rather than that they were medically unfit? The figure you have given us here is of those discharged as medically unfit.

Brigadier MELVILLE: Definitely. The term "not likely to become an efficient soldier" was not very widely used. I think I can say that.

Mr. GREEN: Of course, you could not give us any idea of how many of those 36,068 would qualify for pension if the insurance principle were in the Act?

Brigadier MELVILLE: Very few of them.

Mr. GREEN: It is quite clear that there were 15,602 men who have been deprived of pension because of the insurance principle as far as Canada is concerned?

Brigadier MELVILLE: That is correct.

Mr. GREEN: But as time goes on there will be many more thousands who will break down and will be disqualified for the same reason?

Brigadier MELVILLE: I would say, if you look at the same statement—service wholly rendered in Canada, and the decisions rendered by the commission, there were 54,207 cases where the commission has rendered the decision "pre-enlistment condition, not aggravated by service", and 17,456 where you find, "not granted entitlement for other reasons"; but in these cases they have the right to come back to the commission for renewal or appeal.

Mr. GREEN: I am referring to the men who have not yet broken down but as the years go by thousands of men who have not yet broken down will break down and they will claim that their disability was due to service. It cannot be disputed, I think, that many of these men will be disqualified from pension in future days unless this insurance principle is restored to the Act. Is that not correct?

Brigadier MELVILLE: All I can say is that the commission will at any time give consideration to the documentary evidence completed during service and to the condition for which the man is claiming and extend to him the full benefits of the Act.

Mr. CROLL: I think Mr. Green is absolutely right. I think you could not have understood his question, Brigadier Melville.

Mr. GREEN: You may not have understood my point, Brigadier Melville. I am not dealing now with the man who has already applied.

Brigadier MELVILLE: I agree.

Mr. GREEN: I am thinking of the case of a man who, five years from now, breaks down.

Brigadier MELVILLE: Yes.

Mr. GREEN: And applies for a pension on the ground that his disability was due to his having been in the forces.

Brigadier MELVILLE: Yes.



Mr. GREEN: If this insurance principle is not restored to the Pension Act surely there will be many of those men who will not be able to qualify for pension, who could qualify if the insurance principle were restored?

Mr. CROLL: That is right.

Brigadier MELVILLE: That is possible, yes.

Mr. GREEN: I do not think there is any argument about it.

Brigadier MELVILLE: No.

Mr. MUTCH: That applies to everything.

The CHAIRMAN: Just to clear that up, in that 54,207 you are just dealing with the disabilities which you find, or which he mentions at the present time.

Mr. MUTCH: No.

The CHAIRMAN: But there may be a time come when he will say, "I am suffering from some disability now, which I now say was due to my service." Then you would have to consider that new claim. That is what you are getting at?

Brigadier MELVILLE: I think I can make that very clear. Mr. Green, this committee will come to consideration of the new procedure which is in effect, where all time limitations are removed; and one of the main reasons why the commission recommended that new procedure was so that we could give consideration to those cases where latent conditions became manifest and we were not forcing a man into getting an immediate decision, going to appeal, and the appeal being final.

Mr. GREEN: Of course, that is really not the point of my question.

Brigadier MELVILLE: No. But it has a relationship.

Mr. GREEN: That is a matter of procedure. So much for the insurance principle. I have nothing further to ask about that, because I think the answers show that men are losing out because this insurance principle is not in the Act, and that men will lose out in the future. I want to deal with the pre-enlistment condition now. On page 1 we find, of these men who served in a theatre of war and were discharged as medically unfit, a total of 49,904 to the end of December last year, that 7,810—and this, mind you, is with respect to men who went overseas and went through I do not know how many medical examinations before they got there—were not granted entitlement because they had a pre-enlistment condition, not aggravated by service, although they had actually been discharged on medical grounds. They, of course, could get no pension at all.

An Hon. MEMBER: That is not the insurance principle.

Mr. GREEN: This has nothing to do with the insurance principle. I am dealing now with the second recommendation of the Legion about pre-enlistment condition.

Hon. Mr. POWER: That violates section 25 of the Act, does it not? This 7,000 were refused pension in violation of the section of the Act which says that all those who served in an actual theatre of war should get a pension whether their disability was pre-enlistment or not.

Mr. MUTCH: Does not that hinge on the effect of section 11?

Brigadier MELVILLE: Section 11 (1) is the section.

Mr. GREEN: If the recommendation of the Legion, or a similar recommendation about pre-enlistment condition were written into the law, would it not be the case that most of that 7,180 would be able to qualify for pensions?

Mr. MUTCH: I should think so.

Mr. GREEN: I am asking Brigadier Melville.

Brigadier MELVILLE: Mr. Chairman, having heard the recommendations of the Legion at the last meeting of this committee, immediately on my return I asked that files be drawn for a number of these cases of pre-enlistment condition, not aggravated, so that I could put clearly to the committee the type of cases concerned. Would you like me to quote some, Mr. Chairman, to clear the point?

The CHAIRMAN: You know what Mr. Green is referring to?

Brigadier MELVILLE: Yes.

The CHAIRMAN: It is page 4.

Mr. GREEN: Mr. Chairman, I should like to get an answer to my question from Brigadier Melville.

The CHAIRMAN: The recommendation is that after a second medical examination held six months or later after enlistment, any disability occurring thereafter should be considered as having been incurred during service.

Mr. GREEN: And attributable thereto, except if it were concealed or obvious.

The CHAIRMAN: Most of those 7,000 must have served over six months, and therefore they would come in automatically under that recommendation of the Legion.

Brigadier MELVILLE: If incurred during service or aggravated, in accordance with the provisions of section 11 (1) (a) of the Act.

Mr. GREEN: You think they would be qualified for pension if the recommendation of the Legion was accepted?

The CHAIRMAN: Just let us get that clear. The point is this, Brigadier Melville. Mr. Green is pointing out that those 7,000 who served overseas were refused pension because they had a pre-enlistment condition not aggravated. The recommendation of the Legion is that if a man served six months, without anything happening to him, then nobody shall be heard to say that his disability was of pre-enlistment origin. In other words, six months shall show that he was a fit man.

Mr. BROOKS: Unless it was obvious.

Mr. CROLL: Unless it was obvious, wilfully concealed or recorded.

The CHAIRMAN: I do not know that they made it subject to that exception.

Mr. GREEN: Oh, yes.

Mr. MUTCH: I asked Mr. Hale if he would drop those three provisions, and he said yes.

Mr. CROLL: Oh, no.

The WITNESS: No. Mr. Chairman, let me make one thing clear, which I thought I did yesterday. The Legion, of course, have never been in love with all of these three exceptions, but we are trying to be fair, and I specifically stated at the last meeting of this committee, for instance, that if you enlisted a man who has a finger off, which is an obvious disability, obvious to anyone, the Legion were not asking or expecting that he would get any pension for that. But what we do claim in putting forward this recommendation is this, that after six months a man who then is fit and is carrying on as fit, shall be pensioned from that point on for any disability which appears in him, with no deduction whatever. If he has enlisted in the first place with an obvious disability, naturally there will have to be a deduction. I may say this, Mr. Chairman, before I sit down. We had in mind making the concrete suggestion to the committee that perhaps even if this were not looked upon with favour—we think it is a happy and sincere way out of the difficulty; but even if it were not so regarded, we make this suggestion—the committee might seriously

consider eliminating these two items in section 11 (1) (c), such as "recorded prior to enlistment" and "wilful concealment." We do not think you can eliminate the question of obvious disability. But those other clauses, whereby a deduction must be made, and which the commission must make, and also have the Auditor General looking over their shoulder to see that they do make it, are what we are trying to eliminate.

Mr. Green, if you will permit me to say this, those 7,000 cases which you are quoting, the 7,810 cases, would be entitled to pension, in our opinion anyway, if you adopt our recommendation.

*By Mr. Green:*

Q. They would be entitled to pension?—A. Yes. The only cases that would be barred would be those who had shown within six months that they had a disability.

Mr. GREEN: What I want to get is Brigadier Melville's answer to the question.

The WITNESS: That is all right.

Mr. GREEN: I am asking whether, if the Legion's recommendation about pre-enlistment condition were adopted, or some similar recommendation, these 7,810 men who served overseas would qualify for pension?

The CHAIRMAN: Of course, I must confess that my reading of the Legion's brief, as explained by Mr. Hale, is this, that if a man served over six months, then he is to get a pension except if the case came within subsection (c).

Mr. GREEN: Section 11 (1) (c).

The CHAIRMAN: Yes. Which brings into play noted on the documents, wilfully concealed or obvious, which leaves the law, it seems to me, pretty well exactly as it was before. I have great difficulty in seeing that the Legion is making any substantial suggestion when they make it subject, as they do, to section 11, subsection 1 (c). That is what I was trying to get at yesterday. I do not think they have made a suggestion that changes the law at all.

Mr. GREEN: Oh, now, Mr. Chairman—

The WITNESS: Mr. Chairman, I cannot allow that to go unchallenged, because that is not what we mean at all. Perhaps I can explain it better this way, by quoting this specific case. For instance, here is a man who enlisted on 12th January, 1943. He proceeded overseas and served in France and Belgium and was finally discharged as medically unfit on November 21, 1945. He enlisted on January 12, 1943, and there was not a sick report or any evidence of anything being wrong with him until April 22, 1945, when he had a condition which is described as jaundice. That man, having nothing within six months and having developed this condition in 1945, we maintain should be pensioned for his entire disability. This is what happened when the Pension Commission came to deal with his case: they dealt with it on this basis:—

The Commission state that the man, on enlistment, gave a history of having catarrhal jaundice in July, 1941, when he was hospitalized for 28 days.

This was the decision:

Pre-enlistment condition, recorded on examination prior to enlistment, aggravated three-fifths during service in a theatre of actual war. Award effective from date of discharge.

Our main contention is that there was no disability at the time of enlistment. The only suggestion is that he had a record of this condition before enlistment but as he carried on for six months he should be pensioned for the whole of his disability.



The CHAIRMAN: Yes. That is what subsection (c) provides.

The WITNESS: Oh, no.

The CHAIRMAN: If there is aggravation, then he is to get full pension unless it was on his documents. You say in your submission that what you are asking for shall be subject to that particular thing, therefore the Pension Commission would give exactly the same ruling if your submission were accepted. That is what I was trying to get at yesterday.

The WITNESS: No.

The CHAIRMAN: That is what I was trying to make clear to the committee.

Mr. GREEN: Mr. Chairman, may I suggest, before you proceed to examine Mr. Hale, that I be allowed to get an answer to my question from Brigadier Melville.

The CHAIRMAN: The reason why I am bringing it out is this—

Mr. GREEN: I am not questioning Mr. Hale.

The CHAIRMAN: The reason I am bringing that out is in order to make plain what Mr. Hale is suggesting, so that Brigadier Melville can make an answer.

Mr. GREEN: You are trying to help out Brigadier Melville.

The CHAIRMAN: I want to have it plain what Brigadier Melville is being asked about. My suggestion to Mr. Hale is that he is making a suggestion which will leave the law as applicable to this particular case exactly where it was before. If that is the case, then it will be a different answer that you will get from Brigadier Melville than if he says that it will change the law. I thought Mr. Hale should be asked to explain how it will change the law. In one case it says here that the man is to get full pension if there is aggravation, unless it was noted on his documents, was obvious or wilfully concealed. They say here in their submission that it shall be presumed he was fit and should get the full pension unless it was noted on his documents, was obvious or wilfully concealed, which leaves the law exactly as it was before.

Mr. GREEN: No.

The CHAIRMAN: It is right here. I will read it to the committee.

Mr. GREEN: Mr. Chairman, just forget about that for a moment. I want to get my question answered.

The CHAIRMAN: I want to clear that up. That has been questioned.

Mr. GREEN: Apart altogether from what the Legion is recommending, suppose the committee passed a resolution of this type: we recommend that the Pension Act be amended to provide that after a secondary medical examination held six months or later after enlistment, any disability occurring thereafter should be considered as having been incurred during service and attributable thereto. If a recommendation of that sort is turned into law, or is put into the law, then, Brigadier Melville, will it not have the effect that practically all of your 7,810 cases would be eligible for pension?

Brigadier MELVILLE: Possibly so. To clear up that point, may I quote one case, Mr. Chairman? I got this this morning before I came here. Lieutenant B enlisted January, 1942; discharged in April, 1945. Served in Canada and overseas. At the time of his discharge the following disabilities are recorded: error of refraction and curvature of spine. The commission ruled both of these to be pre-enlistment conditions, not aggravated by service. There was no aggravation. I am not quite clear in my own mind whether the Legion's recommendation would mean that such a case would be pensionable.

Mr. GREEN: I am not talking about the Legion recommendation now. I am saying this. Suppose we make a recommendation in words such as I quoted a few minutes ago. Then that man would get a pension, would he not?

Brigadier MELVILLE: It would appear so.

Mr. GREEN: I beg your pardon?

Brigadier MELVILLE: Yes.

The CHAIRMAN: I do not like such a question as that.

Mr. GREEN: Why not?

The CHAIRMAN: You are basing yourself on the Legion's suggestion, Mr. Green, and the Legion's suggestion is that absolute physical fitness should be presumed at the time of enlistment, subject to the exceptions in section 11, subsection (1) (c), which reintroduces the same thing which we have in the Act now. If you are going to throw out of the window these exceptions and say that you shall give a pension even if it was obvious or wilfully concealed or marked on the documents, that goes far beyond the Legion's suggestion and introduces a new principle which I think Brigadier Melville should have time to consider.

Mr. BENTLEY: Mr. Chairman, I do not follow your reasoning or else I am reading the Legion's brief from a different point of view. They set out at the bottom of page 3, I think it is, pre-enlistment conditions; that is the heading of the paragraph. It is the third part of their brief. Then they set out section 11, subsection 1 (c) and so on, and then they go on to say that there are three exceptions. They are not recommending, as I understand it, that these exceptions be continued.

Mr. MUTCH: They do on page 4.

Mr. BENTLEY: I do not believe so.

The CHAIRMAN: That is what it says.

Mr. BENTLEY: I do not believe so, because when they come down to recommendations, they remove all that if their recommendation is carried out. As I say, I might be wrong.

The CHAIRMAN: Perhaps Mr. Hale might explain that.

Mr. GREEN: Mr. Chairman, I just want to finish with Brigadier Melville, then you can ask all the questions you like of Mr. Hale. On page 2 of your statement, Brigadier Melville, we find that the number of those who have served only in Canada who have not been granted entitlement because of pre-enlistment condition, not aggravated by service, is 54,207. Every one of those men was discharged as medically unfit. Yet your commission have ruled out over 54,000 of them on the ground that they had a pre-enlistment condition. In other words, they had passed the doctors; some of them may have served for years; and yet you have held that 54,000 of them had a pre-enlistment condition and therefore could get no pension. If a change was made in the Act, such as I have suggested, would you not have quite a few of that number who would be able to qualify for pension? -

Brigadier MELVILLE: Might I ask what your change is? We are dealing with service in Canada now. What exactly is the change you have referred to?

Mr. GREEN: Well, say if they have been six months in the service and had a secondary medical examination, that they would qualify for pension.

Brigadier MELVILLE: I should like to consider that question, Mr. Green. I should like to point out that there were 10,600 men discharged by 20 May, 1940, when the insurance principle went out of business. They had a very short period of service and many fall within this group with pre-enlistment condition, not aggravated.

Mr. QUELCH: Would Brigadier Melville say why they refused pension to the lieutenant he referred to just a few minutes ago? Under subsection (c) did they consider it had been wilfully concealed?

Mr. CROLL: It was on his documents.

Brigadier MELVILLE: He had refractive errors. He was wearing glasses. Dr. Blair, I think, might explain it from his professional knowledge much better than I could. But he had refractive error.

Mr. QUELCH: What about the spine?

Brigadier MELVILLE: And he had spinal curvature, yes.

Mr. QUELCH: Would he necessarily know it?

Brigadier MELVILLE: He had curvature of the spine and when he was discharged his condition was just the same on discharge as it was on enlistment. There was no aggravation. His condition was the same. It was pre-enlistment on record.

Mr. QUELCH: It was recorded at the time of enlistment?

Brigadier MELVILLE: No.

Mr. QUELCH: Then how do you say it was? How do you know he knew he had that condition of spinal curvature? How do you know it did not come from service?

Brigadier MELVILLE: From the best medical knowledge we had. Curvature of the spine is not a condition incurred on service. It is one of a congenital nature of long standing.

Mr. GREEN: How do you get around section 11, subsection 1, paragraph (c) which says, "no deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during the great war or during the war with the German Reich, on account of any disability or disabling condition which existed in him prior to his period of service"? The only exceptions to that are where it was wilfully concealed, which you say was not so in this case; where it was obvious, which was not this case; or where it was recorded on medical examination prior to enlistment. Those are the only three exceptions to that rule. I admit that before we changed the Act some years ago there was this provision for congenital defects, but we had that struck out purposely. How on earth do you prevent that lieutenant from getting a pension in view of section 11 (1) (c)?

Mr. MUTCH: Section 11 (1) (a).

Brigadier MELVILLE: Because it is governed by the provisions of section 11 (1) (a) which reads:—

Pensions shall be awarded in accordance with the rates set out in schedule A to this Act to or in respect of members of the forces when the injury or disease or aggravation thereof resulting in the disability in respect of which the application for pension is made was attributable to or was incurred during such military service.

But the refractive errors were not incurred during his service. The curvature of the spine was not incurred during his service. They were pre-enlistment conditions. They were not aggravated. Therefore he does not fall within the provisions of section 11 (1) (c). To make the situation clear, suppose someone went into the forces and went overseas, he served in a theatre of war, and he became sick. He is admitted to hospital. The doctors find he has a kidney condition. That kidney condition was presumably incurred during service. On further examination they find he has a stone in the kidney, and from their examination they definitely determine that it is one of long standing. That is a pre-enlistment condition. That would be dealt with in accordance with the provisions of section 11 (1) (c). It was not obvious on enlistment, it was not recorded and the man did not know about it. It was not wilfully concealed. Therefore under the provisions of section 11 (1) (c) he would be pensioned to the full extent of the disability.



Mr. QUELCH: Mr. Chairman, I still do not understand why the case of the lieutenant, referred to by Brigadier Melville, does not come under (c) which reads:—

No deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during the Great War or during the war with the German Reich, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforesaid wars.

Then it goes on down to the exceptions:—

And further provided that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was wilfully concealed, was obvious or was recorded on medical examination prior to enlistment.

Now you say it was obvious. On the other hand, you say it was not recorded. Surely if it was obvious, it would have been recorded upon his medical examination? How can you charge it was wilfully concealed?

Mr. MUTCH: He does not.

Brigadier MELVILLE: I never used the word "concealed".

Mr. QUELCH: Why was it refused then?

Brigadier MELVILLE: It was a pre-enlistment condition.

Mr. QUELCH: It says in (1) (c) it will not be unless it falls into one of these three categories.

Brigadier MELVILLE: Provided the condition was incurred during service. The refractive errors were not incurred during service. The curvature of the spine was not incurred during service.

Mr. QUELCH: What does the section mean, the first part of it, when it says, "No deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during the Great War or during the war with the German Reich, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforesaid wars"?

Mr. MUTCH: Is not this the case? I should like to get it clear myself. Is it not the case that in order to have a disability at all, a man must have either incurred it through disease or injury or demonstrate an aggravation of a pre-enlistment one? In other words, if he can establish a disability within the terms of section 11 (1) (a), then section 11 (1) (c) gives him full pension despite that. But he has to establish pension eligibility first.

Mr. QUELCH: All right. If a man had a disability prior to his enlistment, you do not have to give him a pension, even though it was not obvious, even though he did not wilfully conceal it. Am I not right in that?

The CHAIRMAN: Unless it was aggravated.

Mr. QUELCH: Unless it was aggravated.

The CHAIRMAN: Yes.

Mr. QUELCH: Then the recommendation of the Legion would take care of a very great number of cases not represented in these three classes?

Mr. MUTCH: No, because he would have to be eligible for pension.

Mr. QUELCH: I think he would be, under the recommendation of the Legion.

The CHAIRMAN: Might I make a suggestion, gentlemen? I would suggest, with respect to the case that is cited by Mr. Hale, and that it would be taken care of by this second suggestion, that the Pension Commission examine that

case and see if they would deal with it differently under Mr. Hale's suggestion from what they do know, and that we have their opinion on that at the next meeting.

Mr. QUELCH: I think it is Brigadier Melville's case we are especially interested in.

The CHAIRMAN: Both cases.

Mr. QUELCH: We are interested in the reason why that was refused in view of section 11 (1) (c).

The CHAIRMAN: I suggest he should deal with both cases.

Mr. QUELCH: I would ask Brigadier Melville this question. Would not the recommendation of the Legion found on page 4 have made it possible to give pension in that case?

Brigadier MELVILLE: No.

Mr. QUELCH: Why not?

Brigadier MELVILLE: Because the Legion is not asking pension to be awarded if no aggravation was incurred.

Mr. QUELCH: Oh, yes.

Mr. BENTLEY: There has to be aggravation.

Brigadier MELVILLE: There would have to be some aggravation of the condition on service.

Mr. QUELCH: It would have to be recorded?

Mr. MUTCH: No.

Mr. QUELCH: It would have to be recorded on the examination or within six months. Is not that right?

The WITNESS: Mr. Chairman, let me make this clear. In the case you are discussing, of course, a pension is payable for disability resulting from injury or disease, and under section 11 (1) (a) it must necessarily be causing a disability. According to the facts as stated in that case, there was an error, a refractive error in vision. It is not causing a disability at the time of enlistment any more than at discharge. Therefore the man has suffered no aggravation. That is, as I understand it, their position.

Mr. GREEN: What about curvature of the spine?

The CHAIRMAN: That is your position?

The WITNESS: Yes. We are not touching that question.

Mr. QUELCH: What about curvature of the spine?

The WITNESS: If you would allow me just a minute, I wanted to read you how disability is defined in this Act:

“‘Disability’ means the loss or lessening of the power to will and to do any normal mental or physical act.”

You seem to be confused about what we mean with regard to pre-enlistment disabilities and so forth. Let me make this clear. There is a distinct difference between a disability and an injury or disease which causes disability. Therefore it is the disability that we are claiming a man shall receive full pension for. We admit he may have disease before enlistment. It might be recorded prior to enlistment. But what we want to avoid, gentlemen, is this: we want to avoid this guessing game which goes on. I want to tell you that I have great sympathy for the Canadian Pension Commission in the amount of guessing they have to do. Take the case I quoted. There is a man who gives a history on enlistment of having had some trouble which is recorded on his papers, and there is no doubt about it, and when he is discharged he has a condition which is the same thing only it has developed to a worse degree. Now, because he had this on enlistment

they are compelled under section 11—1(c) to make a deduction. How do they make it? They have to guess at the amount of disability which the pre-enlistment disease caused, and I may say that the guessing is not so hot if you figure that a man served for four or five years. So, my point is this, and I hope I make it very clear: after six months it is still a pre-enlistment condition which you cannot deny, and from that time on as he has been on his feet and he is 100 per cent fit you do not make any deduction; he shall get the full amount of his pension.

Mr. MUTCH: If he is pensionable at all.

The WITNESS: If he is pensionable at all; there has to be an aggravation.

The CHAIRMAN: The Act says to-day that no deduction shall be made from the degree of actual disability.

The WITNESS: Exactly.

The CHAIRMAN: So they do not have to guess.

Mr. QUELCH: How do the Pension Commission know that the curvature of the spine existed prior to enlistment? You do not mention it in the medical examination prior to enlistment. How do they know that did not occur during the war? You are guessing.

Brigadier MELVILLE: We have medical science to answer that.

Mr. QUELCH: You did not know he had it before, definitely.

Brigadier MELVILLE: Yes.

Mr. QUELCH: It is not recorded on his sheet.

Brigadier MELVILLE: No.

Mr. QUELCH: Therefore it was not recorded on his sheet when he enlisted or six months later; therefore he would have it on the recommendation from the Legion.

The CHAIRMAN: Because they introduce those exceptions. It is right in their exceptions.

Mr. QUELCH: How are we to take care of a case of curvature of the spine? It was not obvious or wilfully concealed.

The CHAIRMAN: That is the law to-day.

The WITNESS: We are going a step further; we are talking about disability. There shall be no deduction for disability after six months, and as he did not have any for six months you cannot make a deduction. You cannot get away from the fact that he might have these conditions before enlistment. This is the difference between disability and the cause of the disability. As far as we are concerned we would like to see those exceptions thrown out of it except for the word "obvious". I do not see how you are going to get away from that. These other two clauses gentlemen, have created trouble not only for us but for the Pension Commission too, because they have to take cognizance of the records that are made particularly on conditions recorded prior to enlistment. Does it ever occur to you what a ridiculous thing it is to say to a man with five years' service that, because he was sick two years before he enlisted, proceeded to hospital, had an examination and got over the thing, that after five years of service in a theatre of war you shall take two-fifths of his pension away? That is the thing we are trying to get away from.

The CHAIRMAN: Just on that point, if the facts are as stated by Mr. Hale and Brigadier Melville, that he has served overseas and it was recorded on his medical documents that he had this disability, then you do take it away; that is correct; because there is no diminution except in those three cases.



Take your suggestion that he shall be considered fit subject to the exceptions in section 11, subsection 1 (c); it re-introduces the point that if it is in the medical documents, then your recommendation does not apply.

The WITNESS: It is not causing a disability, Mr. Chairman, on enlistment. It is just a record of the disabling condition. After six months service and the man still fit we claim he should be pensioned for any disability found on discharge.

Mr. HERRIDGE: Mr. Chairman, I think this whole discussion is very confusing. I do not think the arguments presented by Mr. Hale are convincing. I think they are in contradiction to the brief presented by the Legion in this regard, and I would suggest this. Would it be possible for Mr. Hale or the Legion to resubmit their recommendations on pre-enlistment condition and place them in writing, to embody the principle he is trying to place before the committee? I think that would remove the confusion, Mr. Chairman.

Mr. BLAIR: Mr. Chairman, before we adjourn for the day, there is one point that has not come up at all, and Mr. Quelch possibly would be interested in this. After all, in these cases you have got a body of doctors whom you appoint and in whom you are supposed to have confidence. Apart from anything that you can draw up by way of regulations, cases will come up where they have to use their judgment, and in some of the cases mentioned their judgment may not be all right. But personally I have found that in cases of the type that someone cited, their judgment was quite correct. On the other hand, there was a tendency to lean on a hard rule and not depart from it where it was very apparent that the condition was caused by active service.

Mr. MUTCH: That is a reflection on the profession.

The CHAIRMAN: Gentlemen, I think Mr. Herridge's suggestion is a very good one, if Brigadier Melville examines this submission and the two of them make a submission to us at our next meeting.

Mr. QUELCH: I second the motion.

Mr. LENNARD: Before you close the meeting, may I ask when is a representative of the British Ministry of Pensions going to be invited to attend?

Mr. MUTCH: The steering committee will decide that.

The CHAIRMAN: The steering committee will take that up. It just came up to-day. The steering committee will meet before the meeting on Tuesday.

There are just two things that I wish to bring before the committee before we adjourn. Additional copies of the minutes of our proceedings have been asked for since we started to deal with the Pension Act. May I have a motion that we have 1,500 additional copies of the minutes of proceedings printed, and that additional copies of minutes of proceedings and evidence for any meeting may be printed at the discretion of the chairman?

Mr. CROLL: I so move.

(Motion agreed to.)

The CHAIRMAN: That is carried then. The other matter is this. You will remember, gentlemen, that we are going to discuss, to begin with on Tuesday next, the suggestion that Mr. Murchison made in regard to the Soldier Settlement Act before we resume discussion of the Pension Act. We will now adjourn until Tuesday next.

The committee adjourned at 1.05 p.m. to meet again on Tuesday, April 16, at 11 o'clock a.m.



ov. Doc  
Can  
Com  
✓

*Supp. Veterans Affairs  
Special Committee No. 1946*  
SESSION 1946

HOUSE OF COMMONS

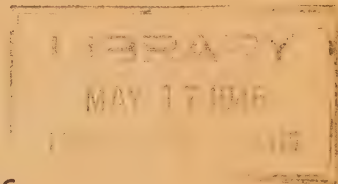
SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9



TUESDAY, APRIL 16, 1946

## WITNESSES:

- Mr. G. A. Murchison, Director, Soldier Settlement Act and Veterans' Land Act;  
Mr. J. L. Melville, Chairman, Canadian Pension Commission;  
Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946





## MINUTES OF PROCEEDINGS

TUESDAY, April 16, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Baker, Belzile, Bentley, Blair, Blanchette, Brooks, Cleaver, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Green, Harkness, Herridge, Kidd, Langlois, Lennard, Mackenzie, McKay, Moore, Mutch, Pearkes, Quelch, Skey, Tremblay, Tucker, Winters.

*In attendance:* Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. J. . G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.

The Chairman presented a report from the Steering Committee reading as follows:—

Your Steering Committee met on Thursday, April 11, and on Tuesday, April 16, and recommends that Mr. G. H. Bowler, O.B.E., representative of the British Ministry of Pensions be heard on Thursday, May 2, and that a delegation representing the Soldier Settlers Association of Canada be heard on Monday, May 6.

On motion of Mr. Lennard, the report of the Steering Committee was concurred in.

Mr. Murchison was recalled, heard and questioned.

It was moved by Mr. Baker that the Committee recommend that paragraph (f) of clause 1 of the bill to amend the Soldier Settlement Act, now before the House, be amended by the substitution of the words one thousand nine hundred and forty-four for the words one thousand nine hundred and forty-two in the sixth line thereof.

The question having been put, it was resolved in the negative.

Mr. Murchison retired.

Mr. Herwig presented an amendment to the Canadian Legion's brief on the Pension Act.

Mr. Melville made a statement on the policy of the Canadian Pension Commission relating to pre-enlistment disabilities aggravated by services, and was questioned thereon.

At 1.00 o'clock p.m., the Committee adjourned until Thursday, May 2, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 16, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first item of business is a recommendation of the steering committee that a delegation representing the Soldier Settlers Association of Canada be heard on Monday, May 6th, and that Mr. Bowler of the British Ministry of Pensions be heard in regard to the administration of British pensions on May 2nd next. If that meets with the approval of the committee, could we have a motion approving of that?

Mr. LENNARD: I will so move.

(Motion agreed to.)

The CHAIRMAN: This morning, gentlemen, Mr. Hale was going to make a further presentation on behalf of the Canadian Legion but unfortunately he is quite ill. So I suggest that the further submission be presented by Mr. Herwig. Is he here?

Mr. BROOKS: Yes.

The CHAIRMAN: And that it go on the record; and at his suggestion that further questioning be postponed until Mr. Hale is able to be here. I have asked Brigadier Melville, Chairman of the Canadian Pension Commission, to make a statement in regard to the administration of the Act and make any explanation to clear up any point that may not be clear to any members of the committee. So with your permission, gentlemen, I will call on Mr. Herwig to make this further submission in order that it may appear in the record. After that we will call on Brigadier Melville.

Mr. GREEN: What about the Soldier Settlement Act?

The CHAIRMAN: We have covered that in the resolution that we hear the Soldier Settlers Association on May 6th.

Mr. GREEN: I was referring to the amendment.

The CHAIRMAN: Oh, that is right. It has been brought to my attention by Mr. Green that we decided to make a decision in regard to the soldier settlers matter. Mr. Murchison brought to our attention, if we look at his submission, a point which I myself thought was a very good one. You will remember that we suggested that the write-off of interest should go into force from the date of enlistment or October or November, 1942, whichever was the earlier, which meant that a man who enlisted in 1944 got the benefit of the write-off from 1942. I think it was the intention of the committee that those should get a write-off from the date of their enlistment, and if they did not enlist before the time when everybody got a write-off, there was no particular reason why they should get a write-off before anyone else. So the thought occurred to me that if, instead of the date of October or November, 1942, we put in the date when everybody got a write-off in 1944, and left the recommendation "whichever was the earlier", then we would say that if a man enlisted before the time when everybody else got the write-off, he would get the benefit from the time he enlisted in 1939 or 1940, or whatever the date was; and if he did not

enlist before the time when everybody else got the write-off, then it would date from the time when everybody else got it. It seemed to me that was a good solution and carried out what the committee, I think, really had in mind.

I am bound to say, in fairness to Mr. Murchison, that he points that even this suggestion means reviewing about 600 cases which he does not feel very much like undertaking in view of the very heavy work they are doing under the Veterans Land Act in trying to get new settlers settled. Perhaps I should give Mr. Murchison a chance to say a word about the suggestion which I have thrown out.

Mr. G. A. MURCHISON, Director, Soldier Settlement and Veterans Land Act, called.

The WITNESS: Mr. Chairman, the only additional comment which I think would be appropriate this morning would be to tell this committee very frankly that, arising from the deliberations of the 1942 committee during which it was agreed that some steps should be taken to relieve the soldier settlers of an unfair burden of debt which remained in their accounts notwithstanding adjustments carried out under the Farmers' Creditors Arrangement Act, action was taken along those lines by the same order in council, P.C. 10472. I do want to assure the committee that, in carrying out those adjustments, with the approval of the Treasury Board the director and his staff did take a very realistic and sympathetic view of that situation, with the result that the main solution for those problems was found by way of a capital adjustment to a greater degree than this adjustment in the rate of interest. The net effect of that is that today we have but a mere handful of soldier settlers whose accounts are in any state of difficulty whatsoever. That is borne out by the fact that since those adjustments were made under that order in council, no less than about 250 soldier settlers who enlisted have paid off their contracts in full.

•By Hon. Mr. Mackenzie:

Q. Are they prepayments?—A. Pre-payments. I do not think it would be the wish or view of this committee that, in re-opening these accounts along the lines that have been indicated by the chairman, there should be some refund, say, to a veteran of anywhere from \$7.50 to maybe \$40 or \$50 two years after he has paid off his loan and has received title to his land.

I just leave that thought with the committee. I do want to assure you that those capital adjustments were carried out on a very realistic basis and the situation today, in my judgment, does not require the concession that has been suggested here in some further minor adjustment of interest rates on behalf of the veterans concerned. However, if it is the feeling of the committee, sir, that you should have these accounts re-opened and this interest rate adjusted as of the date of actual enlistment or the date on which all accounts were brought under the order, namely, October 1, 1944, we will endeavour to carry out whatever the government's instructions may be. I do want to say, as the responsible administrator, that, in my judgment, it does appear to be a minor concession which is not of very much account at this time.

Mr. GREEN: Mr. Chairman, I think there is a question of principle at stake here; while it might not mean a great deal to any individual settler, yet surely the principle must be faced by this committee, and that is whether or not these men who served in the last war—as most of them did—are going to get the same treatment as do the men who go farming who have only enlisted in this war. The Veterans' Land Act was passed and provided for a reduced rate of interest from 5 to 3½ per cent for the men who served in this war, and I think it is only fair that these other men should be given that same rate from the time that they enlisted. I can quite see that we should change our recommendation a bit, as



the chairman has suggested this morning, but I think Mr. Murchison's only worry is bookkeeping. He is afraid of the red tape that he will have to unwind over in his department if this recommendation goes through. Perhaps he should not have so much red tape over there to unwind.

Hon. Mr. MACKENZIE: Would not that involve a change in the bill before the House?

Mr. GREEN: It would involve an amendment. It would involve putting in 1944 instead of 1942. I think these older men who enlisted in this war should get the rate of interest that is the going rate for the younger men who went into this war.

The WITNESS: The only observation I could make on that is that there were no veterans in this war established under the Veterans' Land Act until November 1, 1943.

Mr. GREEN: That means he would not be paying interest until 1943.

The WITNESS: No. We did not establish anyone until that date. So that under the order, the soldier settler has a year's break ahead of the veterans in this war, by virtue of that order in council. His reduction in the interest rate started on October 1, 1942, or the date of his enlistment.

Mr. GREEN: He was actually on the land and under obligation to pay the money, but the new veteran was not on the land until 1943.

Mr. McKAY: Mr. Chairman, is this whole matter of the early settlers under the Soldier Settlement Act open again, or are you discussing a specific point?

The CHAIRMAN: Perhaps you came in a little late, Mr. McKay.

Mr. McKAY: I was a little late, I am sorry to say.

The CHAIRMAN: The situation is this. The way the bill was originally, the reduction in interest rate dated from the standard date in 1942, which was October 1 in the west and November 1 in the east, or from the date of enlistment, whichever was the later. The committee recommended that that should be changed to whichever was the earlier. Mr. Murchison has pointed out that the effect would be that if the man enlisted in 1939, it would mean that he would get an earlier write-off of interest. But it had another effect, namely, that if a man did not enlist until late in 1944, he was getting the write-off of interest back to 1942. In other words, you were giving the man who did not enlist something that the committee did not intend to do, I think. They intended to give it to the man who did enlist. So I suggested to the committee that if they wanted to follow through with the original intention, they could simply change the section and say the rate of interest that may be charged in respect of such agreement after the standard date in the year 1942—that is the way it is in the bill now—to read “after the standard date in the year 1944,” in which event, if a man enlisted in 1939, he would get the reduction from the date he enlisted. If he did not enlist until after the standard date in 1944, then he would get it at the standard date. In other words, he would get the benefit of earlier enlistment up to the time when everybody got the reduction. Then if he enlisted after everybody got the reduction, he would get it the same as everybody else. I think that was really what the committee intended.

Mr. Murchison, of course, suggests that there has also already been a careful consideration of all of these accounts, that there is no real demand to have them opened up, that it means a tremendous amount of bookkeeping and so on. As I pointed out to the minister, this does not mean an extra expenditure of money. It cuts down what the committee formerly recommended, because we would insert 1944 there instead of 1942. For my part, I think the suggestion of Mr. Murchison is a very good one. I do not think that the committee ever intended to do exactly what we did in that suggestion. What is the wish of the committee?



Mr. McKAY: Has the recommendation been incorporated in the bill?

The CHAIRMAN: Yes. That is before the House. But it has been brought to our attention that the bill really went further than was discussed in the committee.

Mr. GREEN: No. The bill carried out the recommendation of the committee.

The CHAIRMAN: Yes.

Mr. Mutch: You mean by implication?

The CHAIRMAN: Yes. The recommendation went a little further than we really intended to go, I think.

Mr. QUELCH: All the old soldier settlers automatically get a reduction in interest rate in 1944 whether they enlisted or not?

The CHAIRMAN: Yes.

Mr. QUELCH: I can see no harm in giving the benefit to those who enlisted even late, even having them go back to 1942. I cannot see any harm in that.

The CHAIRMAN: Why should they?

Mr. QUELCH: I think there should be some benefit to the soldier who enlisted, even if he enlisted late, over the one who did not enlist at all. The one who does not enlist at all gets a reduction in 1944. The one who enlisted in 1944 would get a reduction back to 1942. Is that not right?

The CHAIRMAN: Yes. The point is this. Why should a man who enlists in 1944 get exactly the same interest reduction as the man who enlists in 1942?

Mr. QUELCH: Yes. But on the other hand, he will not get the reduction that the man who enlists in 1939 gets.

The CHAIRMAN: Yes. But why should he get the same reduction? A man who enlists in 1944 under our suggestion would get just the same reduction as a man who enlisted in 1942. That is the point that was brought out by Mr. Murchison. Why should the man who enlisted in 1944 get the same reduction as the man who enlisted in 1942? Why should it not depend upon the date of enlistment?

Mr. QUELCH: I think myself that the old soldier settler will feel that this rate of 3½ per cent should have been put right back to 1919, as a matter of fact. We are only going just a little bit of the way that we should have gone in the first place.

Mr. BENTLEY: If I have been following your line of reasoning properly, Mr. Chairman, and as I understand the bill, all these people, even those who buy soldier settlement land as civilians or as British immigrants will receive this reduction interest rate after 1944?

The CHAIRMAN: That is right.

Mr. BENTLEY: And they are never going to enlist, because the war is over. So following your line of reasoning, why should they get any reduction in interest if we are only going to apply it to the fellow who did enlist as a soldier settler?

Mr. BROOKS: I was going to ask, Mr. Chairman, is this linked up with the British settlement scheme as well? There were settlers who came to New Brunswick under that section.

The CHAIRMAN: Section 77 applies to them.

Mr. BROOKS: They will also get the reduction then?

The CHAIRMAN: From the standard date.

Mr. BROOKS: I think there are only a few.

The CHAIRMAN: It will be from the standard date in 1944.

Mr. BROOKS: Of course, as Mr. Murchison has pointed out to the committee, it would give the soldier a reduction from the time he enlisted and make a general reduction from 1944, which should meet the requirements. Some one spoke about going back to 1919. There was a different rate of interest all over the country in 1919 but now, we realize that  $3\frac{1}{2}$  per cent is the proper rate of interest, which was not so at that time.

Mr. GREEN: That is not what Mr. Murchison said.

Mr. BENTLEY: You have not answered my question, Mr. Chairman. I should like to be straightened out on it.

The CHAIRMAN: What was your question again, Mr. Bentley?

Mr. BENTLEY: The question was this. Your line of reasoning was that if we date that back, as we recommended the other day, then some people who did not enlist until a later date will receive the benefit of the interest reduction by using the word "earlier" rather than the word "later". That was your line of reasoning, was it not? If I understand this correctly, I believe that after a certain date in 1944, all those who were on soldier settlement land, whether they ever enlisted or not, will receive a reduction. Is that right?

The WITNESS: Yes.

Mr. BENTLEY: You say, "Why should those who did not enlist until later receive the benefit to 1942?" I counter by asking why those who never enlisted should get it at all. It is the same kind of reasoning, and it seems to me to operate in both cases.

Mr. FULTON: A general reduction in interest rates.

Mr. BENTLEY: What is wrong with a general reduction back to 1942 for those who did enlist even later?

Mr. QUELCH: Mr. Chairman, just to reassure Mr. Brooks, may I say that I was not suggesting that  $3\frac{1}{2}$  per cent be put back to 1919. I was merely stating what the soldier settlers would feel on account of the fact that the deal they are getting under this was very much poorer than those veterans are getting now under the new Act. I wonder if I might ask Mr. Murchison a question arising out of his statement? He said that the number under the old scheme who were in bad shape are just a small handful; and that three years ago it represented about 2,000. Could he say offhand about what it represents today?

The WITNESS: Less than 100.

Mr. MUTCH: I have just one question. Is there any considerable complaint against this provision being the way it was intended originally; that is, from the date of enlistment?

The CHAIRMAN: The way it was before, it was whichever was the later.

Mr. MUTCH: Yes, I know.

The CHAIRMAN: And there was no complaint against that. But the committee thought they would like to make it whichever was the earlier, and that threw the date of reduction to the man who did not enlist back much further than it was before. I thought the reason why the committee wanted it thrown back was that they thought the man should benefit by his enlistment, and from the date he enlisted. The way it was before, even if a man enlisted in 1939,

he could only get his interest reduction from 1942. So the committee had in mind giving him the interest reduction from the time he enlisted, but the effect of that was to carry men who did not enlist until 1944 back to 1942.

Mr. Mutch: That is not the intention.

The CHAIRMAN: I thought that was not the intention of the committee. The intention of the committee was to carry anybody who enlisted back to when he enlisted.

Mr. Mutch: That is all.

The CHAIRMAN: Then anybody who enlisted after the standard date in 1944, of course, would go back to the standard date when everybody else got it. It seems to me that is a sound principle that the committee had in mind.

Mr. Mutch: Have you drafted an amendment to implement that?

The CHAIRMAN: It would just mean that we recommend to the government that they introduce an amendment substituting in clause 1, in the third line, "4" for "2", which would mean that the man would get it from the time he enlisted.

Mr. Baker: I would move that.

The WITNESS: There is one other point, Mr. Chairman. I should like to say this, for the information of the committee, since there seems to be a feeling that the administration is imposing this on the grounds of bookkeeping. That is true; but it is, after all, quite an important aspect of the thing, and for this reason. I could give you a typical case, typical of quite a large number, where we proceeded under that order in council to recommend to Treasury Board a very substantial capital cut. We can take the case of a veteran whose case was dealt with in 1943, with a total contract indebtedness of, say, \$3,000; and I make no secret of the fact at all, gentlemen, that in quite a number of cases of that kind, that capital indebtedness was written down by at least 50 per cent. We took into account all the arrears of interest that had piled up, capital debt and everything in arriving at what his contract debt was at that time, and we adjusted his account on that basis. So in 1943 we wrote off accumulated interest and capital down to a point where we felt that there should be no further difficulty in the veteran meeting the terms of his contract. The results speak for themselves ever since. If we now carry out this adjustment on the basis of reduction in the rate of interest back to the date of enlistment, which occurred say in 1940 or 1941, it is to a large extent waste motion, because the reduction that was made in capital and interest in 1943 took care of that situation. That indebtedness has been written out of the account. What happens when you go back now to calculate? Do we make a further adjustment of the man's account in addition to that capital adjustment and so on? It creates quite an involved bookkeeping process. That is why I suggest in all sincerity to the committee that the main problem in these accounts has been met by way of capital adjustment plus the reduction in the rate of interest. However, if it is the determination of the committee, Mr. Chairman, that the reduction in rate of interest should operate as of the date of enlistment or 1944, whichever is the earlier, we will endeavour to do the best we can with it. But I do emphasize that it creates some accounting problems that, after all, in my view are not very well justified.

*By Mr. Quelch:*

Q. May I ask, Mr. Murchison, how many of the approximately 100 did not get the reduction; that is, they did not make an application. I know you may say that it is their own fault for not making an application; but I have a few cases in mind where a man was in such bad shape that he felt the



situation was absolutely hopeless, and did not make an application. Then as conditions improved, he sort of got his second wind and now finds that it is too late to make an application. I believe there is a suggestion that the time should be extended for another year.—A. The reason for that was that there were a number of the soldier settlers who had enlisted who, for reasons best known to themselves, failed or declined to submit an application for adjustment of their accounts under that order in council. Now, that may have been for the reason of bad mail service or because their minds were otherwise occupied; but there were a number of deserving cases, in our judgment, who failed to submit an application in accordance with the terms of the original order in council. In order to give these men the final opportunity to get the benefits which they were entitled we asked the government to extend the time for the acceptance of these applications until March 31 of this year, and that authority having been granted we made it out business departmentally to contact these people and urge on them advisability of submitting applications and obtaining the benefits that were available under that order. Now, I can tell this committee that with the exception of a mere handful—some of the old boys who just refused to listen to any kind of proposition—the situation has been very satisfactorily met.

The CHAIRMAN: Along that line, it is possible that some of those people you have mentioned who would not put in an application may have been withholding their application because this committee promised to hear representatives of the Soldier Settler Association in regard to their representation that clear titles be given in some cases, and they may have felt that if they applied they might prejudice their position in the event that some recommendation along that line might be made? Is there any possibility of that having affected some of these men?

The WITNESS: To a minor extent I think probably that is true, sir; but the number is not large. I know in certain cases where there has been that attitude we have told these people concerned that submitting an application under 10472 is not going to prejudice their opportunities for legislation into ownership if it is ever agreed to by the government, and in the meantime here is an establishment under which they can secure substantial relief; and they have taken advantage of it.

The CHAIRMAN: Through no fault of the committee it was not able to hear and decide that question until after the cut-off date had expired; perhaps once we have had a chance to hear it and decide in the light of that position then they could consider whether or not further extension might be given to take care of the possibility that some of these people might have been misled by the delay. There is always that possibility. This committee can consider that.

The WITNESS: I think there has been such a close searching of every soldier settler's account on the books that I just cannot visualize any worthwhile numbers of soldier settlers being in that position.

*By The Chairman:*

Q. That brings up another matter. You have ready a statement in regard to the position of the soldier settlers, have you not?—A. Yes.

Q. That has never been put on the record, has it?—A. No. We have adjusted our statistics on that statement a couple of times, and we are making what we hope will be the final adjustment as of March 31, this year.

Q. That is not ready yet?—A. That will not be ready for another week or ten days.

Mr. QUELCH: Could we have that information before we meet the committee that is coming down here on the second Monday after the Easter recess?

The WITNESS: Yes.

The CHAIRMAN: We are going to meet these people the second Monday after the Easter recess and Mr. Murchison will have that statement ready to file at the first meeting of the committee, so that the committee can study it and have it in mind when the delegation appears. Is that satisfactory to you, Mr. Murchison?

The WITNESS: Yes.

*By Mr. Green:*

Q. The department brought in a recommendation which was to the effect that the interest should be reduced from 5 per cent to  $3\frac{1}{2}$  per cent for those men who enlisted in this war. They were old soldier settlers and the date set by the department was 1942 or the date of enlistment, whichever was the later. Now, Mr. Murchison is trying to get behind that and say that there should be no reduction until 1944. Now, he does not want us to make any—

The CHAIRMAN: No, he is suggesting that we should take the Act the way it was under the order in council.

The WITNESS: Yes.

*By Mr. Green:*

Q. Does that mean the way the department brought it in originally?—  
A. Yes.

Q. That is 1942 or the date of enlistment, whichever was the later?

The CHAIRMAN: That is the way Mr. Murchison would like us to do it.

Mr. GREEN: We decided unanimously the other day that it should be the date of enlistment or 1942, whichever was the earlier, and the government accepted that recommendation and brought in legislation which is on the order paper and it is ready to be passed. And there is this feature about it, as Mr. Bentley said, if this bill goes through the way it is presented then the man who enlisted does get some preference over the man who never enlisted at all. It is true that in some cases he will get it dated back before he enlisted if we leave it as 1942, but I suggest that the matter having been passed by this committee and adopted by the government we forget this argument about it and let the recommendation we made stand.

The CHAIRMAN: Of course, you realize that if a man enlisted in 1944 or 1945 even—

Mr. GREEN: From 1944 to 1942 is the only difference.

Mr. CHAIRMAN: If he enlists at all—even in 1944 under the way it has been recommended—his interest reductions date back to 1942.

Mr. GREEN: Let him have that as a reward for enlisting.

Mr. BENTLEY: A man who never enlisted at all also gets it, does he not?

The CHAIRMAN: The man who does not enlist gets it for 1944, and the only reason, it seems to me, why a man should get it earlier is that he enlisted earlier.

Mr. MUTCH: That was the original intention undoubtedly.

The CHAIRMAN: It would be very easy to change it in the House if the committee think it is fairer to have it date from enlistment. Now, we have a

motion, gentlemen; it is not a matter of very great importance, but it is a motion moved by Mr. Baker that we suggest to the government that the bill be amended putting in four instead of two, which would mean that it would date from enlistment or from the standard date, which everybody else gets, whichever is the earlier.

Mr. PEARKES: Have you any idea how many men would be affected? It would only be a handful, would it not? Most of these veterans joined at the beginning of this war and went into such units as the Veterans' Guard. I think very few would have waited until 1945.

The WITNESS: About 500, subsequent to October 1, 1942.

Mr. BROOKS: 477 cases.

The CHAIRMAN: 500 subsequent to 1942.

Mr. BENTLEY: Will this apply also to those veterans who joined any of the services? For instance, some of them joined the Veterans' Guard and went down to British Guiana; would it apply to them?

The CHAIRMAN: Yes.

Mr. BENTLEY: And the civilian firefighters?

The CHAIRMAN: The civilian firefighters are not members of the services.

Mr. BENTLEY: Who would be excluded from this if that motion were accepted?

The CHAIRMAN: The only ones who would be excluded would be—you mean who would be benefited?

Mr. BENTLEY: No, who would be excluded; who would not have the benefit of wearing uniform or doing some kind of war service?

The CHAIRMAN: Everybody who joined the forces would be in it as defined by the Act. It says:—

In any case where

- (d) a person at any time during the war that commenced in September, one thousand nine hundred and thirty-nine
  - (i) was engaged on active service in a naval, military or air force of Canada; or
  - (ii) was engaged on active service in any of His Majesty's forces and at the time of his enlistment therein was ordinarily domiciled or resident in Canada;
- (e) a person either
  - (i) served in a theatre of actual war as designated by the Governor in Council under the authority of the Pension Act; or
  - (ii) served only in those parts of Canada that are not so designated by the Governor in Council as a theatre of actual war, for a period of not less than twelve months; or
  - (iii) is by reason of disability incurred as a result of such service in receipt of a pension; and
- (f) a person has been honourably discharged from the force in which he was so engaged or has been permitted honourably to resign or retire therefrom.

Now, there is the definition. In other words if they got overseas they are affected; if they served in Canada for more than twelve months they get the benefit; or if they are in receipt of a pension as a result of such service they get the benefit of it.



Mr. QUELCH: If the recommendation that this committee made the other day regarding the firefighters and the supervisors is put into effect it would also apply, would it not?

The CHAIRMAN: Now, gentlemen, we have a motion to the effect that when the bill is considered in the House an amendment be introduced putting in four instead of two. All those in favour of the amendment please raise their hands? Against?

The motion is lost so it will mean that no recommendation will be made to the government in that matter.

Now, I understand that Mr. Herwig, representing the Legion, has a further statement to make.

Mr. J. C. G. HERWIG (General Secretary, Canadian Legion of the B.E.S.L.): Mr. Chairman and gentlemen, since your last meeting Mr. Hale has endeavoured to clarify the Legion's view on 11 (1) (c), and I will read the statement he has prepared:—

#### Pre-enlistment conditions:

The Canadian Legion, on the suggestion of the House of Commons Committee on Veterans Affairs, have given careful study to the recommendation submitted to the committee regarding pre-enlistment conditions and the matter of disability pension under section 11, subsection (1) (c) of the Pension Act.

In order to make our recommendation more clear, it is now recommended as follows:—

That section 11, subsection (1) (c) of the Pension Act be amended by adding the following clause immediately after this subsection:

except where aggravation of a disabling condition existing prior to enlistment has occurred during service, the deduction from the actual degree of disability shall not exceed 10 per cent.

Section 11, subsection (1) (c) would then read:

No deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during the great war or during the war with the German Reich, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforesaid wars; provided that service by a member of the forces in a theatre of actual war may only be counted for the purposes of this paragraph when it has been rendered in the particular war with reference to service in which pension has been awarded; and further provided that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was wilfully concealed, was obvious or was recorded on medical examination prior to enlistment; except where aggravation of a disabling condition existing prior to enlistment has occurred during service, the deduction from the actual degree of disability shall not exceed 10 per cent.

Now here again I think a little further clarification is necessary. If the degree of the disability is pensioned at \$45 a month, the full pension, then 10 per cent of that could be deducted. That is \$4.50.

Mr. GREEN: Is that to apply to the sentence immediately preceding: "further provided that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was wilfully concealed, was obvious or was recorded on medical examination prior to enlistment; except where aggravation..." and so on? Does your exception only apply to that one sentence or to the whole paragraph?

Mr. HERWIG: It would apply to any pension that might be awarded under it; the degree of the pension would be subject to the deduction of 10 per cent of the award.

Mr. GREEN: What you really mean is that "provided further that where aggravation" and so on—is that what you mean?

Mr. HERWIG: Yes. Instead of saying except as provided further, say, "except where aggravation of a disabling condition existing prior to enlistment has occurred during service...." The aggravation must have been determined then the award for pension is made, and in the award of pension the degree of disability will be determined at its full rate, and the pension to be paid would be deducted by one-tenth for the aggravation.

Mr. GREEN: You would sooner have it agreed: "provided further that where aggravation of a disabling condition...." rather than, "except where aggravation...."; would you?

Mr. HERWIG: Well, to me it does not make any difference, Mr. Green.

The CHAIRMAN: The suggestion is that Mr. Hale, who is the expert of the Legion in these matters, will explain this to us after the recess when he is feeling better, as we hope he will be. I promised Mr. Herwig that we would defer questioning until then; so with your permission, gentlemen, I will call on Brigadier Melville now to make his presentation and explanations and so on.

Mr. BROOKS: Mr. Chairman, before we go on with that, coming back to this matter of the soldier settler, there is the case of a man who had enlisted and paid up his indebtedness on his property; what is his situation to be? Is he to get a refund of the interest or not?

The CHAIRMAN: No.

Mr. BROOKS: According to our motion there he would, would he not?

The CHAIRMAN: It only applies to outstanding accounts, as I understand it.

Mr. BROOKS: I do not think it says so.

Mr. LENNARD: In other words, it does not pay to be successful.

The CHAIRMAN: That is the way it is all the time in our society; the man who works hard and earns some money pays heavy taxation and the man who does not work at all gets help to live.

Mr. QUELCH: Could I ask Mr. Herwig whether or not the suggestion he has made with regard to the recommendation on page 4—whether that recommendation is still standing?

Mr. HERWIG: Respecting pre-enlistment conditions?

Mr. QUELCH: Yes.

Mr. HERWIG: It is supposed to amplify.

Mr. QUELCH: The recommendation otherwise still stands?

Mr. HERWIG: Yes.

Mr. GREEN: You are still urging your recommendation on page 4, are you?

Mr. HERWIG: Quite. This attempts to clarify what we are after.

Mr. J. L. Melville, Chairman, Canadian Pension Commission, called:

*By the Chairman:*

Q. Brigadier Melville, you understand, of course, what the Legion are recommending, do you?—A. In the last recommendation?



Q. Yes.—A. The Legion was kind enough to give the commission a copy and we considered in the board room how we would interpret the proposal; in the case of this 45 per cent disability, 10 per cent of that is 4.5 per cent which is to be deducted. It might mean 45 less 10, which would be 35. I suggest, Mr. Chairman, as you have said, that the discussion be developed when Mr. Hale is here.

Q. Would you go on then with what you have prepared for us?—A. As chairman of the Canadian Pension Commission I have been asked to give a brief outline of the basic principles which underlie pension law and procedure. In this regard I would respectfully refer your attention to the history of Canadian pension legislation which was prepared by Commissioner H. Bray for the 1941 committee, reprinted as an appendix to No. 1 of the proceedings of this committee, and with the exception of a few subsequent beneficial amendments which you will be called upon to consider, is generally very complete.

When my minister, the Hon. Ian Mackenzie, addressed the Special Committee on Veterans Affairs last autumn he stated: "Pension legislation has undergone many changes since the first regulations were promulgated by order in council in 1916 and, in every case, a committee of the House of Commons has played an important part."

These regulations were given the status of an Act of parliament in 1919 and, while the Pension Act of that year may be a 1919 model, it was remodelled and kept in advance of the times through succeeding years, and now in 1946 still maintains a leading position among legislation designed to compensate for detriment, bodily or mental, to the persons of those who served their country in war.

An ex-member of the forces who wants a pension must have a disability resulting from his service. If he has no disability he has no claim.

Then again something more than the existence of a disability is needed. Provided the disability was present before enlistment and is no greater at discharge than it was on enlistment, there can be no pension.

The argument is frequently advanced: he was category A when he enlisted and a lower category on discharge therefore he should be compensated. It is the responsibility of the commission to determine if he has a disability and, if so, was it present before enlistment? Should the answer be yes they must further decide: was there aggravation during service? When service was in Canada only, did the aggravation arise out of or was it directly connected with service?

At this stage I might cite three actual cases which illustrate the practice and policy of the commission in cases where service has been wholly rendered in Canada.

#### 1. The case of the naval rating:

This naval rating developed acute abdominal distress one morning and was immediately put in sick bay, and as the morning advanced his condition became more serious. Early in the afternoon they became somewhat alarmed and telephoned the mainland. Arrangements were made for a launch to go out to get this lad and take him over to the mainland. The hospital was advised and the surgical staff was ready, and when he got into the hospital, which was about 7 o'clock in the evening, the operation was performed and it was found that he had appendicitis, peritonitis and perforation. He had a stormy time and he died. The question arose with the commission whether the dependents were eligible. Did the death arise out of or was it directly connected with military service? Normally one would say that there was nothing about naval service particularly which would result in appendicitis; we are all subject to it; but the commission went a little further in this case. I did state at the



outset that this happened on McNab's Island. The compulsions of service played a part in the case. The treatment facilities which normally are or should normally be available to a member of the forces were not available at that time and place. Had he received hospital attention in the morning possibly the serious acute condition might not have developed. The commission ruled: "Death arose out of and directly connected with service—dependents pensionable."

So much for the senior service; now let me come to the army.

A young lad enlisted in British Columbia. He completed his basic training, was then transferred to Manitoba, and during the course of his further training there, or his more advanced training, he developed spinal meningitis. Eventually he was discharged.

Now, remember, gentlemen, these cases are of those with service wholly rendered in Canada, therefore the problem that faced the commission was this: did the disability result out of or was it directly connected with military service? Was there anything about military service that resulted in this young lad having spinal meningitis? It would probably be very hard to say yes; but the commission did not stop there; we do not stop in these cases, we carry out inquiries. We found at that time there were a number of cases of spinal meningitis in Manitoba—there were eight or ten cases in that particular camp where this young lad was training; there were no cases in British Columbia at that particular time. The commission ruled: "Disability resulting from spinal meningitis—arose out of and was directly connected with service—pension from date of discharge."

Take an air force case: the casualty report received by the commission recorded an officer was killed as the result of a flying accident. The report stated that death was the result of a flying accident, "On duty and to blame—low flying." Service was wholly rendered in Canada. Again the commission was faced with the problem: did that death arise out of or was it directly connected with military service? From the documentation made available to the commission at that time when the initial ruling was rendered, the decision was: death, the result of improper conduct within the meaning of the Act, section 12. The commission then under section 12a made an immediate award to the dependents, they were provided for; and you will find that provision is there in that section of the Act, 12a. We carried out a further investigation and asked for all the documentation completed during his period of service including the court of inquiry.

Mr. Chairman, have I permission to speak off the record when I wish to explain something? I do not want to criticize a service, but I wish to give the information that came to the commission as a result of our review.

The CHAIRMAN: Yes, I think where you wish to speak frankly to the committee and do not wish your remarks to go on record you could speak off the record. If we do not give you that right you will not be able to say some of the things which you otherwise would like to say. Just say when you wish to speak off the record and the reporter will not take your remarks down. Is that satisfactory?

Mr. Mutch: That is the usual practice.

The CHAIRMAN: Just say that you wish to speak off the record.

The WITNESS: I wish to speak off the record.

—(Remarks off the record)

The WITNESS: For the reasons which I have explained the Commission was glad to review the initial decision and to render a renewal decision "death arose

out of and was directly connected with service." The award to the dependents was therefore amended to "as of right" instead of under the provisions of Section 12a.

The WITNESS: These three cases cite I hope clearly the policy of the commission.

*By Mr. Green:*

Q. May I ask Brigadier Melville one question? Is the commission the only authority to decide whether or not conduct is improper conduct?—A. The commission has exclusive authority and jurisdiction to deal with and adjudicate upon all claims.

Q. You are not bound by the action of any other department of government in deciding whether or not conduct has been improper conduct?—A. Definitely no.

The WITNESS: Considerable discussion has taken place in the committee regarding the provisions of section 11 (1) (c) of the Act which makes special provision regarding disabilities of pre-enlistment origin of those who served in a theatre of actual war. To clear up the situation I withdrew a few files for such cases from the board room as they illustrate the intent of the section in the Act and the fairness of the manner by which the commission approaches the claim and renders judgment.

Section 11 of the Act governs all pension entitlement *in the first instance* and when a pension is claimed for a disability it can only be awarded provided, as stated in section 11 (1) (a):—

the injury or disease or aggravation thereof *resulting in the disability* in respect of which the application for pension is made was attributable to or was incurred during such military service;

There is also section 11 (1) (c) which, with respect to those *who served in a theatre of actual war*, makes special provision for the procedure to be adopted in cases where the disability was of pre-enlistment origin. On enlistment a man has an amputated finger. Such is obvious and would be recorded on his attestation form. If, on discharge, the condition was the same, it would be a pre-enlistment condition, not aggravated. The following examples will illustrate clearly, I hope, the operation of this section.

Gentlemen, may I say that these cases were not selected by me. I went into the board room, took a batch of files and segregated them into three groups. This is the result of an analysis I made personally. They are all service in a theatre of actual war cases. The first group I set aside were where the commission had ruled pre-enlistment condition, no deduction; 11 (1) (c) cases:—

*R. 120410.*

This L.A.C. served from August, 1941, to November, 1945, in Canada and overseas.

Osteoarthritis was diagnosed during service and from the description at the time of diagnosis it is medical opinion the condition originated prior to his enlistment. There was no evidence however to show the applicant was aware he was suffering from osteoarthritis at the time of his enlistment or that he wilfully concealed the same.

The commission ruled: Osteoarthritis—pre-enlistment condition—aggravated during service in a theatre of actual war—entire disability pensionable. Award effective from date of discharge.

*V. 14941.*

This rating enlisted in June, 1941, and was discharged in October, 1945, having served in Canada and on the high seas.

He was hospitalized in March, 1945, with a history of back pain right side in vicinity of sacroiliac joint and said that in December, 1944, he had acute attacks of pain. X-ray of the spine was negative except for slight scoliosis but gall stones were noted in the X-rays. Investigation revealed poorly functioning gall bladder. Cholelithiasis was diagnosed.

The specialist concluded that scoliosis was of the idiopathic type and had been present for many years but the commission ruled: 1. Scoliosis of spine—pre-enlistment condition, not obvious, aggravated during service in a theatre of actual war. Entire disability pensionable. 2. Cholelithiasis—incurred during service in a theatre of actual war. Award effective from date of discharge.

When I say "entire", that means, of course, he was pensioned to the full extent. The next case is that of a lieutenant.

*Lieutenant.*

This officer served from August, 1940, to October, 1945, in Canada and overseas.

At the time of discharge a deformed pelvis with abnormal articulation was noted and there was a record of his having been blown up by a blast in February, 1945. Back trouble developed afterwards. There is evidence of progression during service of a congenital condition.

That is documentary evidence, gentlemen.

There is no evidence, however, that it was wilfully concealed, obvious or recorded at attestation.

The commission ruled: Deformed pelvis with abnormal articulation between sacral segments with slight arthritic change—pre-enlistment condition, aggravated during service in a theatre of actual war. Entire disability pensionable. Award effective from date of discharge.

*D. 93063.*

This private enlisted in November, 1941, and was discharged in June, 1944, after service in Canada and England.

The proceedings of the medical board on discharge recorded schizophrenia and the symptoms of this condition had been present for many years.

Applicant's family history is unsatisfactory and he is now in a mental institution.

The commission after a very complete investigation of the reports during service and subsequently thereto ruled: Schizophrenia—pre-enlistment condition, aggravated during service in a theatre of actual war. Total disability pensionable. Award effective 18 months prior to date of this decision.

That is because some time had elapsed since discharge. I can explain that when we come to that section of the Act.

*B. 34581.*

This signalman served from September, 1939, to May, 1945, in Canada and overseas.

At the time of discharge from the service in May, 1945, the applicant was found to have aortic regurgitation—pre-cordial murmurs were heard in all phases in pulmonic and mitral areas. At this time it was suggested that this might be due to a congenital anomaly and the applicant gave a history of pyrexia in 1935 but stated he had never been incapacitated with this condition.

The first record of shortness of breath on exertion was while applicant was serving in Italy. There was considerable investigation in this case and departmental cardiologist expressed the opinion that the heart condition was not congenital but rather was the result of rheumatic fever.

The commission ruled: Rheumatic Heart Disease with valvular disease of the heart—pre-enlistment condition—not obvious, recorded, nor wilfully concealed on enlistment—aggravated during service in a theatre of actual war—pensionable for entire disability—award effective from date of discharge.



The CHAIRMAN: Just at that point, may I say that there is one thing that has been mentioned to me more than once and perhaps you would clear it up. You have cited there things not recorded on enlistment. The Act says "recorded on medical examination prior to enlistment". What does the commission understand that to mean? Does it mean that they have to prove that there has been a medical examination before enlistment?

Mr. MUTCH: Before attestation.

The CHAIRMAN: And that it must have been recorded? Because it seems to me I have heard of cases where the man has said himself that he was suffering from disease or suffering from some disability or pain or something, and that has been used as a reason for denying him the benefit of this section, although there is no evidence whatever that he was ever medically examined at all. That has bothered me somewhat, because I could not understand how he could be deprived of the benefit of this section unless there had been a medical examination and it was recorded prior to enlistment, because that is the actual wording of the Act.

Mr. MUTCH: Are you suggesting, Mr. Chairman, that anyone was attested without a medical examination prior to attestation? You say there is no record of medical examination at all. How did he get in the service then?

The CHAIRMAN: No. That is not what I mean.

Mr. MUTCH: That is what you said.

The CHAIRMAN: No. I am speaking about medical examination before enlistment. I mean, I am leaving out medical examination at the time of enlistment. At the time of enlistment there is nothing found wrong with him at all. Then later on he says to the medical officer something like "I had pains or something of the sort two years before I enlisted." It seems to me I have heard of cases where that has been held to be a pre-enlistment condition.

Mr. MUTCH: Concealed.

The CHAIRMAN: And he was deprived of an award on that ground. What ground would they be operating on, Brigadier Melville?

The WITNESS: I would say, the commission never deprived a man of an award on those grounds. There is something entirely wrong because they would have no basis on which to deny him an award on a complaint of some indefinite pain. The commission has a record—as I will demonstrate, I hope, with other cases I will cite now—that the man gave evidence of a definite condition which pre-existed his enlistment.

The CHAIRMAN: For example, there was the case Dr. Blair brought up where the man said he had some sort of gastro-intestinal disease, or something of that kind. There was some suggestion made that that indicated that his ulcers were of pre-enlistment origin, and I understood he was denied a pension on that ground.

Mr. BLAIR: Do you not think this applies to the questions asked a man and which he signs immediately when he enlists: Did you ever suffer from so-and-so and so-and-so?

The CHAIRMAN: That would bring in the question of concealment.

Mr. BLAIR: He might be perfectly well at the time of enlisting but, for instance, he might give a history of having had pneumonia or something like that; and then it remains for the medical board to decide whether his condition is such that he is suffering with it at the present time or has it been something in his past career, not interfering with his ability to perform military service at the present time.

The CHAIRMAN: I think that brings up the question of concealment.

Mr. MUTCH: That is where it is denied.

The CHAIRMAN: It goes much further than that.

Mr. BLAIR: But a man will often agree that he has had something. He will answer these questions "Yes."

The CHAIRMAN: Yes. But that is not, as I understand it, "recorded on medical examination." What I am trying to get at is how you interpret that "recorded on medical examination"? Suppose a man says: "Yes, I had trouble with my stomach" and pains and so on before enlistment, and that is put down on his card. Now he comes along for pension. There is no wilful concealment. You cannot find any document or any recording of that disability. The Act reads, "recorded on medical examination prior to enlistment." You cannot find any medical examination where that is recorded, and it is not obvious. On what basis do they deprive a man of a pension in such a situation? It seems to me that very often a man's statement "Yes, I suffered from this" has been taken as equivalent to being "recorded on medical examination." I never could understand why that was done.

The WITNESS: Mr. Chairman, I feel sure that, if you allow me to go on with the next group of cases, you will find the answers to many of the questions you are asking right now.

The CHAIRMAN: Very well. Continue.

The WITNESS: The next group, gentlemen, which I will deal with are again service in a theatre of actual war where the commission has ruled they were pre-enlistment conditions and subject to deduction because they were either obvious, recorded or wilfully concealed on enlistment, and therefore the provisions of section 11 (1) (c) apply:

*Lieutenant P.*

Enlisted in October, 1941, and was discharged in December, 1945.

Service—Canada and high seas.

History: Treatment for duodenal ulcer October, 1945. Has had dyspepsia for past 6 years. X-ray showed ulcer with mild degree of activity.

Decision: Duodenal ulcer—pre-enlistment condition, wilfully concealed on enlistment, aggravated three-fifths during service in a theatre of actual war.

*By Mr. Green:*

Q. May I ask a question at that point? If that had not been wilfully concealed, would he have been entitled to full pension?—A. Yes. He gives a history of a pre-enlistment condition. He had dyspepsia for the past 6 years.

Q. He has told them that.—A. That is on his documentary record. Yes, he says so himself.

*By Mr. Fulton:*

Q. Then when did he say it; was it when he enlisted or afterwards?—A. Afterwards; during his service, when he went ill.

*By Mr. Green:*

Q. This decision as to the wilfully concealing of a condition is a pretty serious thing. I think that the evidence should be very clear before you say that a man has wilfully concealed some defect. I know I had a case in which the commission held that the man had wilfully concealed some condition, and then when it was referred again to the commission they backed up and

admitted it had not been wilfully concealed. What tests do you use to determine whether or not concealment is wilful?—A. We are very sparing in the use of the term.

Q. I beg your pardon?—A. We are very sparing in the use of the term “wilfully concealed.” In this particular case the man was asked on enlistment, “Have you ever suffered from any stomach trouble?” and he said, “No.” That is on his enlistment board. Later on he became sick, and when he was with the doctor and the doctor was endeavouring to diagnose the condition, he asked him, “Have you ever suffered from any stomach trouble?” and so on, and he said “Yes.” That is on his documentary record, “I have had dyspepsia for the past 6 years.”

MR. QUELCH: I should like Brigadier Melville to go a step further. When you say stomach trouble, what do you mean by it? Do you mean to say it means a man who has had indigestion? Because are there any people who have not had that? How many cases of indigestion must a person suffer before they disclose that fact? I myself would find it very hard to answer that question right now.

*By Mr. Mutch:*

Q. Do you take into consideration, Brigadier Melville, the fact that there is almost a premium on dishonesty amongst the volunteers? I suppose in every group of 20 men who came up and tried to get into the forces, in the early period of the war particularly, and particularly amongst former service men, they lied about their ages and they lied about their physical condition; and if they succeeded in putting it over the doctor, they went out and celebrated.—A. Mr. Chairman, might I explain it in this way? That is the initial decision of the commission which is rendered on the documentary record. The man is told exactly what I have told you. He is given the reasons for the decision. He then receives a letter, with a copy of that document—“the actual decision” and he is advised in that letter, “If you take any exception to the decision which has been rendered, the best advice we can give you is to consult with the district pensions advocate whose name and address is so-and-so,” and that is marked on the letter. Or we advise him to consult with one of the leading organizations of ex-servicemen; and that is one place where the Canadian Legion plays a wonderful part in the assistance they give to veterans in the further presentation of their claims to pensions. So he has an opportunity to go ahead on the initial decision.

*By Mr. Green:*

Q. I know, but that is after you have decided against him once.—A. We have got to render a decision sometime.

Q. But Brigadier Melville, how do you distinguish between “concealed” and “wilfully concealed”? There is the test, in my opinion. I suggest that in the case you have just read the condition might have been concealed, but I do not think you could prove in any court of law that it was wilfully concealed.—A. There is no provision in the Act for “concealed”. The Act says “obvious, recorded or wilfully concealed.” We did not write that into the statute. We have to interpret the law, Mr. Green; and we are endeavouring to do it in the most sympathetic manner and to avoid the use of the term “wilfully concealed” wherever possible.

Q. But do you not recognize that there is a difference between “concealed” and “wilfully concealed”?—A. Yes.

Q. What is the difference?

MR. MUTCH: That is what I should like to know.

MR. GREEN: What is the test?

MR. MUTCH: What is yours?



The CHAIRMAN: In other words, the suggestion is that you give "wilfully concealed" the same meaning as if it said "not disclosed." In other words, the Act does not say "not disclosed." It says "wilfully concealed." If a man comes to enlist, he is not going to enumerate all his ailments, because he wants to get into the army. If he started to enumerate them, they would say, "You want to get turned down." So he does not volunteer all his little aches and pains. He just does not disclose them. But the Act says, in order for you to turn him down he must have wilfully concealed something.

Mr. GREEN: There must be malicious intent.

Mr. QUELCH: Mr. Chairman, is it not true that many people will have indigestion from time to time and they will think it is the result of improper diet and take no notice of it? If after a period of time it gets worse and they go to a doctor and they find perhaps they have got a stomach ulcer, that would not be wilfully concealed; yet it might be ruled that it was wilful concealment because a man had indigestion and did not disclose it.

Mr. MUTC: Maybe we had better re-define our terms.

Mr. BENTLEY: I should like to say a word here. Apparently the X-ray disclosed stomach ulcer, I think it was, in this case, not very active. The man gets an X-ray when he enlists. I know I had one, because I went to enlist and they found me A-1 and gave me a lot of X-rays and then said "You are too old". They did not take me. However, I know they are X-rayed. Suppose the man was X-rayed at the time he tried to enlist, apparently the X-ray did not disclose any ulcers, active or partially active or otherwise; then when the man is given an X-ray later, they are found. In that case they could not be wilfully concealed because he did not know that he had them.

The WITNESS: The only X-ray on enlistment is the chest, to look for the possibility of tuberculosis. In this particular case the man have a history of dyspepsia for 6 years. That was the history he gave during his service. At the time he was enlisted there was nothing obvious with regard to that condition. There was nothing recorded on his attestation form on enlistment because he gave no information regarding it. He made no admission that he had any stomach trouble.

*By Mr. Green:*

Q. Do you have any record of what the verbal answers are that he gave on enlistment?—A. Yes.

Mr. MUTC: They are not verbal.

Mr. BROOKS: They are taken down.

The WITNESS: There is a series of questions asked. I have them right at the back of my book here.

The CHAIRMAN: Furthermore, on the hearing he might come forward and explain to the commission what happened when he enlisted; he might say that he did tell the officers that he had a little bit of stomach pain and so on, and if you believe him, then of course you would cancel your finding of wilful concealment.

Mr. GREEN: Of course, he cannot come forward until this question has been raised on appeal.

Mr. BAKER: I think it would be interesting and informative if Brigadier Melville would read over to us the form that most of the enlisted men are obligated to sign when they join up; that is, the medical form. Reference has been made to only one specific case; that is, stomach ulcer and pre-enlistment condition. There are a lot of other things mentioned in there.

*By the Chairman:*

Q. Have you a copy of that here?—A. I have it right here.

Mr. BROOKS: There are a dozen questions.

The CHAIRMAN: I think it would be a good thing to have that on the record for the use of the committee.

The WITNESS: It is on the back page of the attestation form. This is the R.C.A.F. form, but it does not matter.

## CERTIFICATE OF MEDICAL EXAMINATION

### *Part 1. Information obtained from the applicant—*

1. Age.

2. Have you ever suffered from any of the following defects in health?

- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| (a) Rheumatism. ....                | (j) Nasal Trouble. ....             |
| (b) Tuberculosis. ....              | (k) Ear Disease. ....               |
| (c) Bronchitis or Asthma. ....      | (l) Eye Disease. ....               |
| (d) Heart Disease. ....             | (m) Epilepsy. ....                  |
| (e) Kidney or Bladder Disease. .... | (n) Nervous or Mental Disease. .... |
| (f) Gastro-intestinal. ....         | (o) Syphilis. ....                  |
| (g) Rupture. ....                   | (p) Gonorrhoea. ....                |
| (h) Varicose Veins. ....            | (q) Bone Fracture. ....             |
| (i) Flat or Deformed Feet. ....     | (r) Other Disease or Defect. ....   |

3. Have you ever worn glasses? .....

.....  
Signature of Applicant

And then the examination goes on.

Mr. GREEN: Is that not leaving a man's eligibility for pension to a far too large degree in the hands of the doctor who gets the answer to that question? Suppose a man says, "I have had stomach ache once in a while" or "I have had indigestion." That particular doctor might say, "That does not show any gastro-intestinal disease" and he writes down, "No". Then the man gets ulcers later on and you rule him out because you say he wilfully concealed the fact that he had a gastro-intestinal disease.

Mr. MUTCH: I think we should all get a better picture of what happens with regard to that form if I recited an instance of where exactly the opposite happened. I have myself seen one of these forms in which a man who was called up under the N.R.M.A. signed "yes" to every one of those questions, with the exception of syphilis, gonorrhoea and epilepsy. He did not know what they were, I guess, and did not like to say so. But he said he had had all of the other conditions. In the face of all that, when I saw him he was A-1. You just cannot put too much weight in these answers.

On principle, I hate to agree with Mr. Green and the chairman, or any other lawyer when two lawyers get together, but it seems to me that we are getting a generous interpretation by the board in most cases. But if we are going to encounter lawyers—and it seems that we are bound to, whether we behave or not, and even when we are sick—I think that perhaps we ought to consider seriously in this committee a definition of "wilful concealment", because there is a difference between something which is overlooked or forgotten and something which is withheld. In most of these cases of the volunteer, if a fellow thinks he has any chance of getting in, he will say "No" to the questions. He has volunteered because he wants to get into the service, and if there is any chance in the world of his putting it over by saying that he never had

any of these things, he will say "no", and they do say "no". I venture to predict that amongst the volunteers, 60 per cent of them were falsely attested in some degree. If he does not develop a pensionable disability which links with the thing wherein he answered "no", he is all right; but if it does happen, then he is pretty nearly hooked under the Act, the way it stands, in spite of the best intent of the commission.

Mr. GREEN: I think the trouble is that the commission is not recognizing any difference between a condition that is concealed and a condition that is wilfully concealed.

Mr. MUTCH: I do not see how they can, as it stands.

Mr. GREEN: To those of us who are lawyers, that word "wilfully" means a great deal; and a man has to be practically a criminal before he can be ruled as having wilfully concealed a condition. But I do not think the commission are working on that basis at all.

The CHAIRMAN: My own feeling was that they give it exactly the same effect as if the Act said "not disclosed on enlistment"; that if he comes up and does not disclose these things, then they say it is wilfully concealed.

Mr. MUTCH: They do not say it. They act as though it did.

The CHAIRMAN: That is the effect of their decision, as I have always felt.

Mr. HARKNESS: When was that form put into use? I do not remember answering any of those questions.

Mr. BAKER: From early in the war.

Mr. BROOKS: Oh, yes.

The CHAIRMAN: That was the Air Force form you were using?

The WITNESS: I read the Air Force form. The army form is practically the same. I answered those questions in April, 1940 on attestation.

Mr. HARKNESS: It has not been in use from the start of the war, has it?

Mr. BAKER: In 1939.

The WITNESS: Yes.

Mr. FULTON: It seems to me that, if we pursue this discussion much further at this stage, we are going to be discussing the whole insurance principle. I have a lot of things which would take care of this objection, which I am desirous of saying. But I think we should allow Brigadier Melville to continue before we discuss this particular thing very much further.

The CHAIRMAN: I do not agree with you that it affects the insurance principle, because this is the very heart of the insurance principle.

Mr. FULTON: That is what I say. If a man's category as found on enlistment was accepted, then it would not matter whether he wilfully concealed it or whether he merely failed to disclose it.

The CHAIRMAN: But that is not the insurance principle.

Mr. FULTON: Oh, well, it is.

The CHAIRMAN: I suggest that is not the insurance principle. The other is a presumption that should be taken as established, which is not the insurance principle. However, I think you are right; we should permit Mr. Melville to proceed.

The WITNESS: I would like to make this observation: the policy of the commission is not a negative one, it is a positive one; that is, to award pension and not to deny it. That is very definite. But we are subject to the provisions



of the Canadian Pension Act. There are fourteen members on the commission, including the chairman, and every member has had front-line service; he is cut to do the utmost possible within the provisions of this Act for any member of the forces. Take the case of this leading patrolman:—

*L/Patrolman W.*—Enlisted November, 1940, discharged January, 1946.

Service—Canada and high seas.

*Decision*—Varicose veins recorded on medical examination prior to enlistment. Aggravated 3/5 during service in a theatre of actual war.

Now, that was recorded at the time of attestation on his form. There was some worsening during service, and the commission conceded three-fifths aggravation.

*Pte. B.*—Enlisted September 1939, discharged June 1945.

Service—Canada and overseas.

*History*—Was admitted to hospital three weeks after enlistment with acute bronchitis and gave a history of coughs, etc. Had treatment on service for bronchitis. And the x-rays showed certain chest conditions.

*Decision*—Bronchitis—pre-enlistment, wilfully concealed, aggravated 4/5 in a theatre of actual war. Malaria—incurred during service.

*Note*—The x-rays taken soon after enlistment showed evidence.

*By Mr. Green:*

Q. Did he have an x-ray of his chest?—A. Yes. My note here is: x-rays taken soon after enlistment showed evidence. He had bronchitis very soon after his enlistment.

The CHAIRMAN: The answer there is with regard to wilful concealment.

The WITNESS: He did not admit anything about coughs. On enlistment there is nothing on his attestation form. Three weeks after he enlisted he went to hospital. He gave a history of having coughs. He was x-rayed and the x-ray showed the condition stated.

*By Mr. Green:*

Q. Why was he accepted if the x-ray showed that?—A. This was three weeks afterwards and because that condition cleared up he went on with his service and served until 1945. We gave a four-fifths aggravation of what we considered to be a pre-enlistment condition.

Q. He actually went ahead and served for five years after that?—A. Yes, that is correct.

Q. And then you have deducted him one-fifth?—A. Right.

Q. Despite his five years' service?

Mr. MOORE: Why was he not discharged when they discovered this condition?

Mr. GREEN: Yes, why did they keep him in the army?

The WITNESS: I cannot answer for the army.

The CHAIRMAN: The thought occurs to me that suppose he had said, "Yes, I had coughs," and they put that down on the attestation papers, I judge from the fact that they kept him in the army after they had found out that he had this condition by x-ray that that would have been attested just the same, and in that event he would have got the full pension?

The WITNESS: Not necessarily.

The CHAIRMAN: Yes. The Act provides that if the condition is aggravated at all then he is to get the full amount unless you can show that it was recorded, was obvious, or not disclosed.

The WITNESS: You are saying that it was recorded.

The CHAIRMAN: The coughs but not necessarily the bronchitis.

*By Mr. Green:*

Q. Is not that an unfair decision? Here is a man sick in three weeks' time. He has told you the facts and you have an x-ray taken and find out the exact condition, and in spite of that you have kept him in the army for five years and he has served in a theatre of war, and when he is discharged he loses one-fifth. Is not that an unfair way to interpret the Act? I do not think the Pension Act was ever intended to do that.—A. I will not say it is an unfair decision; entitlement is not fully granted; he is given a four-fifths aggravation. If he considers that the decision is unfair he has the right to renew his application. He need only write to the commission.

Mr. BROOKS: As regards that case, if he had disclosed that he had bronchitis before he came into the army and the authorities still considered him fit to enlist and he carried on for five years, then you would base your decision on that he had pre-enlistment bronchitis and give him four-fifths just the same.

Mr. GREEN: No, they would give him the full pension.

The CHAIRMAN: Mr. Melville says that it would show as recorded.

Mr. BROOKS: Would he get five-fifths, as Mr. Green suggests, if he disclosed the condition?

The WITNESS: It all depends on the condition and the degree of aggravation that took place during service, on his length of service, and the theatre of service; all these factors have to be considered.

*By Mr. Green:*

Q. Section 11 (1) (c) says that you cannot deduct anything when a man served in a theatre of war unless he has wilfully concealed something or a condition has been recorded upon his admission to service.—A. All right.

Q. Or it is obvious.—A. Yes, obvious.

The CHAIRMAN: Now, Mr. Melville says it would be recorded in that event if he had admitted it. In other words, the effect of (1) (c) is this, as I see it: if he admits it then he does not get anything for pre-enlistment condition; if he does not admit it then, of course, he is wilfully concealing it. In other words, it seems to me that the effect of that is to make an airtight provision that he does not get anything for any pre-enlistment condition. Is not that the effect?

The WITNESS: No.

Mr. FULTON: It seems to me that the case must have been obvious, because he was x-rayed three weeks after enlistment and showed the condition. It was obvious on enlistment, was it not?

The CHAIRMAN: Then he gets only the aggravation that is shown.

Mr. GREEN: That lad did not get much of the benefit of the doubt.

Mr. BENTLEY: We are considering people who come under the military, air force and naval Act, and I do not know how we are going to get the Pension Commission to decide something that another branch of the service decides to let go.

The CHAIRMAN: Our time is going on, and I think we should permit Brigadier Melville to continue to the end so that we will have a complete picture.

Mr. BLAIR: Was an x-ray taken at the time of enlistment—that is before the three weeks' time of service?

The WITNESS: Yes.

Mr. BLAIR: And there was a definite change in the plates in the interval of three weeks; they would have the first plate to check on and the plates taken after three weeks. The picture was that this man was accepted into the service and three weeks later he probably paraded sick and he had a cough and they took a picture of his chest. Then they would be able to compare the picture after three weeks with the one taken on enlistment, and if something happened after three weeks then he would necessarily be subject to pension; is that the attitude taken?

The WITNESS: The initial one I would say was negative approved; the one taken three weeks subsequently showed something.

The CHAIRMAN: Would you complete your brief?

The WITNESS:

*Sgt. D.*—Enlisted September 1939, discharged July 1945.

*Service*—Canada and overseas.

*History*—Slight scoliosis noted at attestation, appeared to have worsened during service.

*Decision*—Scoliosis of dorsal and lumbar spine—pre-enlistment, recorded prior to enlistment, aggravated 2/5 during service in a theatre of actual war.

You may wonder why we say "prior to enlistment." The medical examination is prior to enlistment and if the x-ray examination shows that everything is satisfactory the man is accepted into the service.

Mr. FULTON: What happened in that case? What kind of pension did he get?

The WITNESS: Aggravated two-fifths during service in a theatre of actual war.

Mr. GREEN: What was his disability actually?

The WITNESS: Scoliosis of dorsal and lumbar spine.

Mr. GREEN: Can you indicate how much the disability was; what per cent?

The WITNESS: These are decisions I am dealing with.

Mr. GREEN: Was he totally disabled?

Mr. FULTON: Does that mean that he would get two-fifths of whatever percentage of disability was found?

The WITNESS: Two-fifths of the disability found. He would be medically examined, and if he was 20 per cent disabled he would get two-fifths of that. If his disability was 100 per cent he would get two-fifths of 100 per cent.

*Sgt. Mac.*—Enlisted August 1942, discharged December 1945.

*Service*—Canada and overseas.

*History*—Pilonidal sinus—no pre-enlistment history. Dermatitis—no history at enlistment but later applicant gave history of rash at 6 months, recurrence at 12 years which had persisted. There was some worsening.



*Decision*—1. Pilonidal sinus—incurred during service in a theatre of actual war.

2. Allergic dermatitis (unknown etiology). Pre-enlistment, wilfully concealed on examination for enlistment, aggravated 2/5 during service in a theatre of actual war.

Mr. GREEN: On what ground was that found to be wilfully concealed?

The WITNESS: Because the man gave a history that there was a recurrence at twelve years which had persisted.

Mr. BROOKS: Was that one of the questions he was asked?

Mr. GREEN: One of the first was that he had a rash at six months.

The WITNESS: I am reading from the record.

The CHAIRMAN: There is a question about skin disease there, is there not?

The WITNESS: Yes, any skin trouble.

*Pte. A.*—Enlisted May, 1942, discharged February, 1946.

*Service*—Canada and overseas.

*History*—Defective hearing noted on enlistment, progression during service.

*Decision*—Nerve deafness—pre-enlistment condition, recorded on examination for enlistment, aggravated 3/5 during service in a theatre of actual war.

*Pte. H.*—Enlisted June, 1944, discharged July, 1945.

*Service*—Canada and overseas.

*History*—Applicant noticed tremour in mouth before enlistment and had consulted his uncle a doctor in a well known institution. There was progression during service, considerable.

*Decision*—Parkinson's syndrome—pre-enlistment condition, recorded, aggravated 4/5 in a theatre of actual war.

Now, I have dealt with cases where we have granted in entirety, no deduction was made; I have dealt with the second group where deductions have been made; I will now come to the third group:—

Discussion has also taken place regarding cases of those who have served in a theatre of actual war and the commission has ruled the condition recorded on the proceedings of the medical board at discharge as "pre-enlistment not aggravated."

A few actual cases will illustrate the practice and policy:

*Service in a Theatre of Actual War*

*Pre-enlistment—Not Aggravated*

Mr. GREEN: Are these all cases where the men were discharged as medically unfit?

The WITNESS: That is what the board records.

*Pte. B.*—Enlisted October, 1942, discharged August, 1944.

*Service*—Canada and England.

Final board recorded: 1. Pes Planus. 2. Mental retardation.

*History*—1. Flat feet were recorded on enlistment and no worse at discharge. 2. He gave a history of being backward all his life and that condition was considered to be part of his make-up and no worse at discharge.

*Decision*—Pre-enlistment, not aggravated.

*Pte. A.*—Enlisted June, 1940, discharged May, 1944.

*Service*—Canada and overseas.

Final board recorded: 1. Chronic suppurative otitis media. 2. Right inguinal hernia repaired. 3. Amputation left thumb.

*History*—1. During service some ear discomfort, gave history of this condition since childhood and at time of discharge was normal for him. 2. Was diagnosed October, 1940, operated, good results. Was pre-enlistment, cured by surgery and left no disability. 3. Was obvious and recorded at enlistment—no change on service.

*Decision*—Pre-enlistment, not aggravated.

Mr. GREEN: Why was he discharged as medically unfit?

The WITNESS: We did not discharge him; the army did.

The CHAIRMAN: When was he discharged?

The WITNESS: May, 1944.

*Pte. B.*—Enlisted March, 1941, discharged March, 1945.

*Service*—Canada and overseas.

Final board recorded: 1. Nerve deafness right. 2. Deviated nasal septum. 3. Macular degeneration, left eye.

*History*—1. He gave history of 20 years' standing and no different at discharge than for years. 2. Was noted on enlistment. 3. His vision was unchanged, during service.

*Decision*—All pre-enlistment, not aggravated.

*Airman S.*—Enlisted September, 1943, discharged April, 1945.

*Service*—Canada and Newfoundland.

Final board recorded: 1. Deviated nasal septum.

*History*—He complained of nose at discharge, gave history of injury to nose in 1938 and subsequent obstruction. No nose pathology at discharge.

*Decision*—Pre-enlistment, not aggravated.

*Airman H.*—Enlisted July, 1942, discharged April, 1945.

*Service*—Canada and overseas.

Final board recorded: 1. Pes Cavus with hammer toes.

*History*—Recorded at enlistment, congenital and no different at discharge.

*Decision*—Pre-enlistment, not aggravated.

*Pte. H.*—Enlisted October, 1941, discharged March, 1944.

*Service*—Canada and overseas.

Final board recorded: 1. Cleft palate.

*History*—Noted on enlistment and no change.

*Decision*—Pre-enlistment, not aggravated.

Now, gentlemen, these are not selected cases. I went into the board room and took out a bunch of files and segregated them into these three groups, and this is my own personal analysis and a summary of each case.

It should be borne in mind that all the decisions I have quoted are initial ones based on the proceedings of the medical board on discharge and, in some cases, a review of his service medical documentation.

In every case where a claim is not fully granted the applicant is advised of his right to proceed further and it is suggested to him he seek the advice and

help of the district pensions advocate or the service bureau of one of the recognized organizations of ex-service men—

Mr. MUTCH: You mean that the man has not yet personally applied?

The WITNESS: That is right. As I said before, the Legion plays a great part here.

The CHAIRMAN: Would you advise the committee now what happens then, in a few words?

The WITNESS: I would like to say, Mr. Chairman, that the Canadian Pension Commission examines the proceedings of the final medical board on discharge for *every* member of the forces; he does not have to make application for a pension. If in the opinion of the commission these proceedings record no disability, the file is put away. If we are of the opinion that a disability has been recorded then the case is referred to the medical advisers, to the particular group concerned. It is studied, submitted to the commission for a decision, and the decision is rendered. As the statistics I furnished the other day will show, I think out of 79,000 discharged on medical grounds we have rendered nearly 78,000 decisions, and we are pretty well up to date with our work.

Now, the man then receives a notification. In the cases where we have granted a two-fifths aggravation his application is not wholly granted, and he is told what he may do. He may renew his application or he may seek the help of the advocate in the furtherance of his claim to pension, or he may request an appearance before an appeal board of the commission. These appeal boards, gentlemen, travel throughout the dominion. Frequently there are three appeal boards sitting at one time. At the moment there is one sitting at Port Arthur, one in Toronto and one in Vancouver. The commission has less than 400 appeals waiting a hearing. That just gives time for the advocate to list his cases and have them prepared and ready for us. In other words, we are not very far behind, in fact we are not behind at all in any of our appeals; we are up to date.

Mr. MUTCH: I wonder if at some stage in our deliberations Brigadier Melville could give us for our information some typical awards to personnel who have been discharged S-5. I, for one, would like to adduce from these typical cases what policy is in respect to them. I have had some experience in this regard and we are going to have more experience with the type who have been discharged as S-5 under any one or half a dozen different categories. I think possibly such cases would give us an idea of how the commission works with regard to them, and how you develop those cases. I would be interested. There is the type of people suffering from congenital weaknesses and personality—I think that is the term—and there are various others, and I should like to have at some time—it cannot be done in a few minutes—some representative cases. I think all of us are aware that there is a possibility of persons being temperamentally unsuited for the rigors of active service but quite competent to perform civilian tasks similar to what they did before. This is a question of interest and it is going to be more interesting as we go on, and at this stage I should like to get some information in that regard.

Mr. BLAIR: We have heard quite a bit about medical treatment this morning and possibly I should say something with regard to my own experience in this matter. I was president of a medical board at the beginning of the war, and I do not like the term "wilful." These boys may be desirous of enlisting with the best possible intent in the world. They will admit some of these things in the papers, but there are a lot of these things that they do not know anything about. Mention was made of the man with dermatitis. It is not



a question of the skin rash appearing on enlistment; that rash may occur by contact. He is allergic. He is away from conditions at home. He is doing something new. He may break out in a rash due to the allergy.

As far as a rupture is concerned, it might not be apparent; a patent opening to the rupture might occur later.

With regard to varicose veins, they are permitted to enlist certain men with varicose veins, provided the condition does not go across the front of his shin. It was up to the medical board to decide whether this man could carry on in the service or not. Possibly after enlistment he is put on guard duty and he stands a great deal and that condition is aggravated.

Another man might have had fits when he was a youngster, and later due to stress and strain of active service he might develop catilepsy. It comes down to this, that you have to leave a certain amount to the discretion of the medical board in obtaining a man's history, and perhaps a condition should be written in in some way giving the man the benefit of the doubt where there is any question of argument in regard to this condition. Some of these boys are not aware of the condition. I had some of these boys, my own patients, who came along and tried to enlist. For instance, they possibly had a fractured skull. You are not permitted to enlist them in such circumstances. But at some stage of the game they had a fractured skull. You would have to say, "Oh, no; I know you, Johnny; we cannot take you." But if he had gone to another medical board, he probably would have got in.

Mr. Mutch: And lots of them did.

Mr. Blair: You are quite right. Lots of them did. I think the thing to be written into this is something to give these boys who enlisted in good faith, not knowing their own physical condition, the benefit of this. You cannot diagnose a duodenal ulcer by X-rays at the time. You are not absolutely sure of it. The man may not be aware of it. He signed the papers in good faith that he is all right. Something should be put in here in order to give the man the benefit of the doubt because he did enlist in good faith, unaware of his condition.

The CHAIRMAN: Thank you, Dr. Blair; and thank you, Brigadier Melville, for your mention of some of these things to the committee. I am sure it has been very helpful. You have taken note of Mr. Mutch's question and I presume you will be able to be here on May 2 when we reconvene.

I certainly wish the committee a very happy Easter. I am sure they have earned it by their hard labour.

Mr. Brooks: The same to you, Mr. Chairman.

The CHAIRMAN: We will adjourn until May 2.

The committee adjourned at 1 p.m. to meet again on Thursday, May 2, at 11 o'clock a.m.

N-90C  
Can  
Com  
V  
CAI  
XC2  
-45V21

Canada. Veterans Affairs, Ottawa  
1946

CANCELLED  
UNIVERSITY OF TORONTO

SESSION 1946  
(HOUSE OF COMMONS)

(SPECIAL COMMITTEE)

(ON)

# (VETERANS AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

THURSDAY, MAY 2, 1946

## WITNESSES:

- Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act;
- Mr. C. H. Payne, Deputy Minister of National War Services;
- Mr. F. J. G. Garneau, O.B.E., Director War Veterans Allowance Board;
- Mr. F. L. Barrow, Secretary Department of Veterans Affairs;
- Messrs. R. Hake, H. Magill and C. A. Rowntree, representing the Corps of Canadian (Overseas) Fire Fighters;
- Mr. Stephen G. Jones, President, Federation of British Canadian Veterans of Canada.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946

LIBRARY  
APR 14 1947  
UNIVERSITY OF TORONTO





## MINUTES OF PROCEEDINGS

THURSDAY, May 2, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Cockeram, Croll, Drope, Emmerson, Fulton, Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Jutras, Kidd, Langlois, Lennard, Mackenzie, McKay, Mutch, Quelch, Robinson (*Bruce*), Ross (*Souris*), Skey, Tremblay, Winters.

*In attendance:* Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act; Mr. C. H. Payne, Deputy Minister, National War Services; Mr. F. J. G. Garneau, O.B.E., Chairman, War Veterans Allowance Board; Mr. F. L. Barrow, Secretary, Department of Veterans Affairs; Messrs. R. Hake, H. Magill and C. A. Rowntree, representing the Canadian Corps of (Overseas) Fire Fighters; Mr. Stephen G. Jones, President, Federation of British Canadian Veterans of Canada.

The Chairman presented a report of the Steering Committee reading as follows:—

Your Steering Committee met on April 30 and considered letters dated April 29 and April 30 addressed to the clerk by Mr. Geo. H. Bowler, C.B.O., Ministry Representative, the British Ministry of Pensions, in response to an invitation to appear before the Committee.

Mr. Bowler states that the invitation was referred to Ministry Headquarters in the United Kingdom for consideration and that he has received a cablegram from Mr. H. Parker, C.B., M.C., Permanent Secretary of the Department, reading in part as follows:—

If Committee desires information about current British Pension entitlement principles, will be happy to provide it. Feel, however, that this would best be given by representative from Headquarters who would be more closely in touch with policy and recent developments of which there have been several, than you could be. If the Committee so wish Parker would be attending on May 9.

The Steering Committee felt that the Committee would welcome the opportunity of hearing Mr. Parker should he find it necessary to be in Canada on other business but did not consider it would be justified in asking him to make a special crossing for this purpose, and the clerk was instructed to inform Mr. Bowler accordingly.

It was also decided to hear a delegation representing the Corps of Canadian (Overseas) Fire Fighters and Mr. Stephen G. Jones, President of the Federation of British Canadian Veterans of Canada, on Thursday, May 2.

On motion of Mr. Croll, the report of the Steering Committee was concurred in.

The Chairman informed the Committee that Mr. H. Parker, C.B., M.C., Permanent Secretary of the British Ministry of Pensions would be in attendance on Thursday, May 9.

Mr. Murchison was recalled and made a statement on the present position of soldier settlers under the Soldier Settlement Act.

Mr. Murchison filed the following statements which are printed as Appendix "A" to this day's minutes of evidence:—

*Soldier Settlement and Veterans' Land Act:*

Loans repaid in Cash;

Dominion Collection Statement April 1, 1945, to March 31, 1946;

Dominion Collection Statement April 1, 1944, to March 31, 1945;

Dominion Collection Statement April 1, 1943, to March 31, 1944;

Dominion Collection Statement April 1, 1942, to March 31, 1943;

Balance Sheet as at 31 March, 1946;

Debt Position of Soldier Settlers in Relation to 1941-42 farm values;

Field Supervisors Annual Reports 1941-42—Book Debt and Value of Farms by Grades.

Mr. Murchison retired.

Messrs. Hake, Magill and Rowntree were called, heard and questioned.

Mr. Magill filed a declaration relating to promises alleged to have been made to the Corps of Canadian (Overseas) Fire Fighters on their departure for overseas.

Mr. Payne was called, questioned and retired.

The Chairman tabled a letter received by Mr. Payne from Sir Aylmer Firebrace, Chief of the National Fire Service, London, England, which is printed as Appendix "B" to this day's minutes of evidence.

Messrs. Hake, Magill and Rowntree retired.

Mr. Jones was called, presented a brief on behalf of the Federation of British Canadian Veterans of Canada, was questioned thereon, and retired.

Mr. Garneau made a statement regarding the number of ex-Imperial Veterans of World War I domiciled in Canada on September 1, 1930, was question thereon, and retired.

The Chairman tabled a draft of a proposed bill respecting civilian war pensions and allowances, copies of which were distributed to the members of the Committee.

On motion of Mr. Gillis it was resolved that, at its next meeting, the Committee proceed to consideration of the draft bill respecting civilian war pensions and allowances.

At 1.00 o'clock p.m., the Committee adjourned until Friday, May 3, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*

## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 2, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, I have here the report of the steering committee, which met on Tuesday, April 30, which reads as follows:—

(See Minutes of Proceedings)

Probably we should have a motion, if that meets with the approval of the committee, approving the report of the steering committee.

Mr. CROLL: I so move.

Carried.

The CHAIRMAN: I have been advised that Mr. Parker is coming to Canada, and pursuant to the decision of the steering committee he will appear before our committee on May 9. Of course, he is appearing on the same basis as we expected Mr. Bowler to appear; in other words, he is not making a special trip, he is here on other business and is appearing to clear up anything that members wish to ask about concerning the administration or the actual Act itself, the British Pension Act.

Now, before we proceed with our witnesses this morning, gentlemen, you will remember that it was the wish of this committee that Mr. Murchison should prepare a statement in regard to the situation of the soldier settlers, the state of their accounts that are still unpaid, so that the information will be available for study by the members before we have the brief from the Soldier Settlers' Association on Monday next. Mr. Murchison is a very busy man, and I suggest that he give his statement and then be allowed to go. After he has finished we will call on the representatives of the Corps of Canadian (Overseas) Firefighters, and after we hear them we will hear Mr. Jones who represents the Federation of British Canadian Veterans of Canada. I will now call on Mr. Murchison.

Mr. G. A. MURCHISON, Director, Soldier Settlement Act and Veterans' Land Act, called.

The WITNESS: Mr. Chairman and gentlemen, soldier settlement relating to veterans of World War I was last reviewed by a special parliamentary committee in 1942. The proceedings are of public record. At that time, I gave evidence and filed balance sheet and statistical summaries covering settlement operations from inception of the Soldier Settlement Act, 1919, to March 31, 1942.

It is fortunate that at least six members of the present committee were also members of the former committee. They well recall the discussions which took place. Arising from the deliberations of the 1942 committee were certain recommendations to ease the debt burden in soldier settlers' accounts—notwithstanding the adjustments that had been made under the Farmers' Creditors Arrangement Act or otherwise. These recommendations were substantially implemented by order in council P.C. 10472 dated November 19, 1942, to which I will refer later.

With the permission of the committee I will file for the record only one key statement presented to the 1942 committee: grading schedule by districts as at December 31, 1941, showing the debt position of soldier settlers in relation to 1941-42 farm values.



I will also file grading schedule by districts as at November 1, 1945, showing debt position of settlers in relation to 1941-42 farm values; our balance sheet March 31, 1946; collection statements covering the past four fiscal years March 31, 1943, to March 31, 1946, inclusive; statement of loans repaid in cash from inception of operations to March 31, 1946, with details by provinces for the past six years.

These schedules together with statement of repaid loans and collection summaries tell a rather remarkable story of progress in farm home ownership by soldier settlers during the past four years.

*General Position of Soldier Settlers—March 31, 1942.*

The position of settlers, as reported to the committee was in accordance with the annual report of March 31, 1942, and was based on grading schedule of settlers dated December 31, 1941. A total of 7,255 active settlers had an average debt at that time of \$1,450 against average farm value of \$2,390 (1941-42 values). Approximately 50 per cent of the total settlers at that time were either in a very sound or satisfactory position, while approximately 50 per cent were in either a doubtful or unsatisfactory position; that is to say, there were 2,953 settlers (Grade 1) with an average equity of 67·5 per cent in their farms; 606 settlers (Grade 2) with an average equity of 32 per cent; 1,078 settlers (Grade 3) with an average equity of 17 per cent; and 2,723 settlers (Grade 4) with no equity.

The parliamentary committee focussed attention on the 3,800 settlers in grades 3 and 4, and some members contended that these men had little hope of ever owning their farms.

*General Position of Soldier Settlement—  
March 31, 1946.*

Our dominion balance sheet March 31, 1946, compiled from ledger accounts, shows a total of 4,276 active settlers today, as compared with 7,255 in 1942, with total debt of \$4,960,000—an average debt of \$1,160. The average value of farms is still holding at \$2,300, based on 1941-42 inventory value. The last grading schedule of settlers (November 1, 1945) shows 2,396 settlers (Grade 1) with an average equity of 68·6 per cent; 1,446 settlers (Grade 2) with an average equity of 30 per cent; 518 settlers (Grade 3) with an equity of 14 per cent; and 203 settlers (Grade 4) where no equity is established on the basis of the value.

Let me emphasize, however, that these gradings are based on the same inventory values that were set up in 1941-42. On the basis of present-day values, the position from the standpoint of the veteran and the director is very much better than the percentages I have quoted.

It is worthy of special note that in the four-year period between March 31, 1942, and March 31, 1946, a total of 2,621 soldier settlers, or one-third of the total active settlers in 1942, have repaid their loans in full in cash and received title to their farms, and this applies to all classes of cases, including 350 settlers who enlisted in the armed forces during World War II.

The general character of the remaining settlement did not deteriorate in this process of repaid loans; quite the reverse. As at November 1, 1945, there were only 518 settlers remaining in grade 3 and only 203 of the original 2,700 remaining in grade 4. The great majority of the settlers formerly in these two lower grades are now found in grades 1 and 2. 540 of the settlers formerly in grades 3 and 4 have, in fact, repaid their loans in cash.

During the four-year period 188 soldier settlers assigned their contracts to other purchasers, the settlers taking their equities in cash; and 121 farms reverted to the director by reason of abandonment, death of the settler, etc.

*Main Factors Contributing to the  
Improved Position of Soldier Settlers.*

(1) The combination of good crops and favourable prices (especially in the two fiscal years ending March 31, 1944, and March 31, 1945).

(2) The excellent payment record of soldier settlers which surpasses any previous four-year period in the entire history of soldier settlement. In the four-year period March 31, 1942, to March 31, 1946, soldier settlers paid in cash on their contracts a total of \$5,476,489. Of this amount \$3,292,582 was in the form of payments on current instalments due, and \$2,183,907 as pre-payments in advance of maturities. It is worthy of special note that in the two fiscal years ending March 31, 1944, and March 31, 1945, ninety-two per cent of total soldier settlers covering all grades made payments. In the year ending March 31, 1946, eighty-five per cent of all settlers covering all grades made payments. The lower percentage in the last fiscal year was due to crop failure conditions in 1945 in fairly extensive areas of Saskatchewan and Alberta.

(3) Debt adjustment under P.C. 10472: Under that order 1,619 soldier settlers have had their debts reduced by \$1,020,000. There is clear indication that in the great majority of cases these adjustments have been an incentive to settlers to keep their accounts up to date.

Now as to debt adjustment under that order in council, the 1942 parliamentary committee recommended that further debt relief was necessary for soldier settlers. Government implemented the committee's recommendations by P.C. 10472, dated November 19, 1942.

The two main provisions of the order were: (a) reduction of debts of soldier settlers by Treasury Board on recommendation of the director; (b) extension of terms of agreement.

I can assure this committee that the director and his responsible officers have realistically applied this order over the past three years. It is the first time in the history of debt adjustment legislation for soldier settlers that adjustments were made to meet individual circumstances, and in that respect it is probably a good guide for future reference.

The basic approach was that if this order in council was to be given practical meaning, account had to be taken of the capacity of the individual soldier settler in relation to the estimated productive value of the land concerned. That is precisely what has been done. Perhaps we were over-generous in some cases in view of the sharp rise which has taken place in agricultural values since 1942. But I recall giving a verbal undertaking to the 1942 committee that we would use 1941-42 values for these adjustments and that undertaking has been carried out to the letter.

To March 31, 1946, 1,619 debt reductions have gone through the books; the writeoff amounting to approximately \$1,020,000. A further 125 cases are actually in process at the present time.

Soldier settlers have responded well. 268 settlers who have received reductions have already repaid their loans in full in cash, and the great majority have kept their accounts in good standing; therefore it can be said that P.C. 10472 has proved a practical and constructive measure.

Gentlemen, having regard to the statement I have just given covering the present favourable position of soldier settlers, I wish to say to this committee that in my considered judgment, approximately 85 per cent of the present total of 4,276 soldier settlers should have little difficulty in paying out their loans under their present contracts. This is not over-optimism on my part—bearing in mind the clearly demonstrated determination of the great majority to pay off their loans as soon as possible—and the further important factor that for the near future at any rate the outlook for agriculture is good. Soldier settlers are keenly aware of this.



But it would be foolish on my part to suggest that all difficulties in soldier settlement have come to an end. It is fully realized that there will be a small percentage of continuing problem cases in one form or another—due to such factors as advancing years, recurrent disabilities, serious family illness, or sheer inability to cope with a debt contract of any kind. I am pleased to report however—in referring to problem cases—that something less than 200 soldier settlers all told, less than 4 per cent of the total settlement, have adopted an attitude of refusal to make payments, irrespective of their ability to do so.

Problem cases as they arise will continue to require the careful attention of the department in seeking to meet individual circumstances. These settlers are, in the main, decent deserving citizens. The majority of them have a keen desire for security of tenure of the homes they have occupied for the past twenty-five years or more. I am convinced that by bringing into practical combination measures such as the War Veterans' Allowance Act, dual service pension legislation—plus a determination on the part of the administration to find solutions to meet individual needs—these problem cases can be solved in a practical way to enable settlers to continue in occupation of their homes.

The CHAIRMAN: Gentlemen, we have these other delegations here, and it occurs to me that perhaps the best thing we can do with regard to Mr. Murchison's statement is to defer any questioning on it until Monday when the delegation of the soldier settlers will be before us. If that meets with your approval we will call on the firefighters to present their further submissions. I may say that they appeared before the interdepartmental committee which was set up as the result of the recommendation of this committee, and they also had their submission filed. I was under the impression that they did not wish to make any further submission in the matter. However, it has been brought to my attention that I stated to a member of this committee that if these people wished to appear we would be prepared to hear them speak in explanation of their brief. So they are here really pursuant to that invitation which was extended through a member of the committee quite some time ago. Now, I have asked Mr. Barrow, who is chairman of the interdepartmental committee, to be here this morning in the event that questions arise with which his committee dealt. I have also asked Mr. Payne, the deputy minister of National War Services, under whom these gentlemen served, to be here, and I will ask them to come up to the front of the room so that they will be available for answering any questions which may be asked or to be of assistance during the hearing of the delegation.

Mr. LENNARD: Mr. Chairman, before you go any further, I thought this matter had been settled, as far as our committee is concerned, a month ago. While I do not object to hearing these representatives of the overseas firefighters, I am reminded that you have so often emphasized the amount of work which is ahead of us, and I am of the opinion that these proceedings may be something in the nature of a rehash and in that case a waste of our time.

Mr. FULTON: Mr. Chairman, I support the statement which has just been made by Mr. Lennard. As I recall, we decided that the firefighters would be entitled to all the benefits of service personnel, and unless that decision has been changed in some way that the committee does not know about, I submit that we will be wasting the committee's time to give further detailed consideration to this brief, because I feel that full justice has been done.

Mr. McKAY: Mr. Chairman, this firefighters' delegation have come from some considerable distance, and I do not believe it will occupy much of our time to listen to them. I feel that it is a matter of courtesy on the part of this committee to hear their brief, if they have one this morning, and give it some consideration.



Mr. LENNARD: I repeat that I am not objecting to hearing this delegation, but I do think we are wasting valuable time of this committee.

Mr. QUELCH: To clarify the situation, the minister is here, and perhaps he could say whether or not the recommendations of the committee are going to be carried out.

Hon. Mr. MACKENZIE: No, I am not in a position to so state. I was not present that morning, but I did read the proceedings before this committee. However, various things have been happening here recently—conferences with the provinces and so on—and there has been quite a lot of detail in the consideration of problems that have come before this committee as regards this issue and other issues.

Mr. CROLL: If I understand Mr. Lennard's remarks rightly, they are that this may turn out to be a rehash of this evidence. When I heard that the fire-fighters were coming here this morning I wondered what they were here for, because the committee has dealt with this matter; however, they are here now and they have expressed a desire to be heard, and it may be that some new light may be thrown on this matter as a result of what they have to say. So, let us hear them and not waste any more time discussing the point.

Mr. FULTON: They may take away something that we have given them.

Hon. Mr. MACKENZIE: May I say with regard to the remarks of the member for Kamloops that eventually the decision must rest with the government of the day as to what is recommended to parliament. That is always the case; and I am not in a position to state what that may be.

The CHAIRMAN: Your steering committee recommend that they be called and heard, and that was approved at the start of the session.

Mr. HERRIDGE: Quite right.

The CHAIRMAN: Now, we have with us this morning Mr. Richard Hake, Mr. Herbert Magill and Mr. C. A. Rowntree, representing the Corps of Canadian (Overseas) Fire Fighters, and I will ask these gentlemen to come forward. May I repeat that Mr. Barrow is chairman of the interdepartmental committee which was set up pursuant to the recommendation of this committee, the work of which was approved at the start of these sittings, and Mr. C. H. Payne is the deputy minister of National War Services. May I say Mr. Hake is the chairman of the delegation which is here to-day. We will call on Mr. Hake now, gentlemen.

Mr. R. HAKE, Corps of Canadian (Overseas) Firefighters, Toronto, *called*.

The WITNESS: Mr. Chairman and gentlemen, in the first place I am not much of a speaker, so I will ask you to please pardon me. I am not going to take up very much of your time. This committee which is appearing this morning is composed of three of us, with an official delegate from the Canadian Legion who is sitting here with us. We are officially appearing representing the whole of the corps right across Canada. We have been officially designated to that position. The brief which we have here is rather a lengthy one. We wanted to present it before on a number of occasions. We had hoped to be here, but this is the first time we have had a chance to appear. If you have not got a copy of this brief, I should like you each to have a copy of it. Perhaps it would give you more information than I could give you right now.

The only other point we have to deal with is the affidavit which is signed by our members as to what General LaFleche promised us before we went overseas. There are a number of other points in there. Perhaps you have questions you would like to ask us, and we will be ready to answer them, in view of the fact that your time is very limited and so is ours. We shall be very glad to try to answer any questions.

The CHAIRMAN: On the point of the brief, gentlemen, the minutes of proceedings,—official report, No. 34,—at page 1146, contain the complete brief;

doubtless all members of the committee have read it and considered it very carefully. Do any members of the committee wish to ask questions?

Mr. BENTLEY: What page was that, Mr. Chairman?

The CHAIRMAN: Page 1146. That is report No. 34 of the proceedings of the committee of last session.

Mr. CROLL: It is in page 23 of this session.

The CHAIRMAN: Well, it is summarized in the minutes and proceedings of this session by the report of the interdepartmental committee at page 23.

Mr. CROLL: And then on page 212 is the discussion.

Mr. BLAIR: Is what General LaFleche promised these men included in that?

Mr. CROLL: Yes.

Mr. LENNARD: May I suggest that if, as has been stated, the representatives have separate copies of this brief, they might be distributed.

The CHAIRMAN: Yes, we can distribute them. Did you wish to make a further submission, Mr. Hake?

The WITNESS: Yes, Mr. Chairman. There is one further submission in regard to income tax. Do you wish me to read this?

The CHAIRMAN: Yes.

The WITNESS: This is the further submission now added to this brief:—

In our brief presented to the Veterans Committee, no mention has been made regarding income tax. This was not an oversight, but was due to the fact that we were under the impression that we were covered in that respect the same as the armed forces. From talks by Major-General LaFleche on Parliament Hill in 1942, it was taken for granted when he said, "We would be looked after in a like manner to the armed forces," that he meant he would be exempt from taxation just like the other forces. (It was during these speeches both he and the Governor General called us the fourth arm of the services.)

We volunteered at the time when national defence tax was being deducted at the source. None, however, was deducted from ours. The same thing applied when income tax deductions were made at the source. If we were to have been taxed, the government as our employer erred badly in not deducting said tax. Those who had paid national defence tax for the early part of 1942 received rebates from the government.

If we had been informed that the personnel of the corps were to be taxed, the government would never have had the desired number of professional fire fighters needed for the formation of such a corps. We would have enlisted in the other forces, at higher rates of pay probably, with less risk, better privileges and tax free, in the seclusion of our beloved Canada.

American newspapers have stated that it cost \$20,000 to train fire-fighters for the American army. Probably the same could be said of the fire fighting services in our own forces. The cost to the Canadian people was little, if anything, to train our corps.

The amount concerned, while it means nothing to the government, would create hardships for years to come, to the members of the Corps of Canadian Fire Fighters and their families.

The CHAIRMAN: Do any other members of the delegation wish to add anything to what Mr. Hake has said?

Mr. MAGILL: No, there is nothing. We would like to answer any questions that any members may wish to ask.

Mr. McKAY: I cannot see any reference to the affidavit that we all received in the mail.

Mr. CROLL: What is that?

Mr. McKAY: This affidavit that was taken some time ago and signed by certain members of the corps.

Mr. CROLL: It is in the minutes. There is reference to it by Mr. Skey in the minutes, and it is agreed on.

Mr. McKAY: It does not give the complete affidavit.

Mr. CROLL: No. But there is no denial of it, so why not admit it is so?

Mr. McKAY: It should be there in full detail.

Mr. MAGILL: We sent copies of this affidavit down some time ago to the clerk. This is the actual affidavit, which I would like to put on file now. I will read it to you if you like me to take up your time to that extent. You have all received it in the mail. Would you rather that I read it? -

Mr. MUTCH: Go ahead.

Mr. McKAY: As long as it goes in the record, it is all right.

Mr. MAGILL: It reads as follows:—

We, the undersigned, hereby jointly and severally swear that we were present at Parliament Hill, Ottawa, on the occasions when Major-General LaFleche (Deputy Minister of National War Services) made statements to contingents of the Corps of Canadian Fire Fighters, on their leaving for overseas, as follows:

He stated that we would be looked after in the same manner as the armed forces, that our families would receive the same protection and benefits that were accorded the army and that we were to be known as the fourth arm of the services. (A term that the Governor General used while addressing us.)

That is signed by 38 members of the Ontario district, and if need be, I can get over 300 more from across Canada. I have got them, but they are not legal. This has been taken as an affidavit before a commissioner. The other copies I have are not at the moment legal, but if we need them, we can write to the other 300 members and get legal copies.

Mr. HARRIS: How many were present on that occasion?

Mr. MAGILL: The whole corps would be present at different times. There would be groups leaving for overseas, we will say, maybe two weeks apart. At the time I was there, there would be possibly 150 present. Eighty-six of them were going overseas. This statement was made at different times much in the same regard. These men were all present when it was made. He made the same statement at various different affairs. He made it—it is in the record; at least I sent a copy down as to where it was said once before. I think it was the Chateau Club, or something like that. I cannot give a definite statement about it just now. It was made in front of the firefighters, and our own chief was there, and he made the statement that it was so made. I think it was at the Seignory Club.

Mr. QUELCH: Has the point that he made this statement ever been challenged or denied by the government officially?

Mr. MAGILL: Not to my knowledge. We have never had anybody say it has not. I think there is a record in *Hansard* whereby our honourable minister, Dr. McCann—I have not got the date now; we did have all those details right at our finger tips three or four months ago when we thought we were to be here, but since then we have maybe got a little bit lax on it—did state that there has been no reference made that it was not true, and I think as Mr. Croll has just said, it has never been challenged.



The CHAIRMAN: In regard to this affidavit, we will put it on the record as you present it, but I presume you cannot say that was actually sworn to before Mr. Dunlop, Commissioner?

The WITNESS: Yes, I can.

*By the Chairman:*

Q. Were you present when they all signed it?—A. Yes, we all walked in and signed it. That was taken in the fire hall. He is the commissioner. It can be checked. There is a copy in his office.

The CHAIRMAN: The reason I mention it is that to be a proper legal form, it should have been severally sworn.

The WITNESS: I think it is there.

The CHAIRMAN: Yes. But his signature does not show it is severally sworn.

Mr. CROLL: He did not charge for it, so maybe he was not as careful as he might otherwise have been.

The CHAIRMAN: I point that out, that it is not a proper legal affidavit. However, it will go in for what it is worth.

Mr. BLAIR: Can we have an account from some of these men as to their actual work overseas?

The CHAIRMAN: If you will just ask the question, you can get an answer. You have heard the question of Dr. Blair, Mr. Hake?

The WITNESS: As to what we did?

*By Mr. Blair:*

Q. Yes, what were your services?—A. When we volunteered for this job, we did not ask any questions as to what we were going to get or what we were not going to get. We volunteered to go over, and when we joined the corps we knew that we were going over; in two months, every man from the time he enlisted, was overseas. When we got there we were attached to the National Fire Service. The membership of the National Fire Service was obtained on a compulsory basis. The men in England could either go into the army, navy, the air force, or the fire service. They had no option. It was considered a branch of the services there. When we got there we were attached to the National Fire Service. They in turn gave us vital points to protect from fire. We went to Southampton, Portsmouth, Plymouth and Bristol. Those cities were receiving at that time the greatest brunt of the bombing. We worked in conjunction with them all through. We maintained our own station, with our own officers and our own men, equipment supplied by the National Fire Service. We were trained over there by them and attended their colleges and also took courses over there with them. Does that answer your question?

Q. Go ahead. Tell us what you actually did; for instance when there was an air raid, what did you do?

*By Mr. Cockeram:*

Q. Was not a detachment ready to go to France on D-Day?—A. Yes.

In the event of a raid we immediately went outside in the street and took up our positions at our stations. We could not take cover. Our job was outside, not inside, when the raid was on. We had to stand outside. A station would perhaps have five or six pumps in it. Immediately on the warning being given they would be dispersed to certain points in the city and the men would have to stand there until they received instructions where the raid was and what they were to do. There was no chance for us to take cover.

*By Mr. Blair:*

Q. In the event of a fire during the raid, what did you do?—A. During the raid, we immediately went to the fire.

Q. In spite of the fact that bombs might be falling?—A. It did not make any difference. We answered the call.

Q. You would work practically all through a raid?—A. Yes, outside. That was our job. We did have 100 men trained and attached to the 21st Army Group ready to leave for France on VD-Day, and they got on the boat. They actually took their training and got on the landing barges, and then were taken off. We trained for that and had army personnel attached to us in a liaison capacity, so that when we went over there we knew where we were going and what we were going to do. But fortunately, the raids in France did not develop to anything like what was expected. Therefore we were not needed. But we were prepared to leave and ready to leave at a moment's notice.

Mr. FULTON: The witness said that they were ready to leave on VD-Day. Did he not mean D-Day?

The WITNESS: I meant D-Day, yes.

*By Mr. Ross:*

Q. How many members of your organization were there who were prepared to go to France?—A. All that was called for was 100, which comprised one section, and that is all we could supply. We could have supplied all three sections, because all of the boys wanted to go, but all we were asked for was 100, which we supplied and we had others ready if required.

*By Mr. Blair:*

Q. Could you give the committee an estimate of the number of casualties, those who were sick or hurt?—A. I could not give you the figures right off-hand, but it is in your last minutes here. There were four killed, or rather three killed—

Mr. MAGILL: Three killed, five seriously injured and three wounded. It is 3, 5 and 3. Three killed, definitely, and I am not sure whether it was five seriously wounded, or five just wounded and then three wounded or three seriously wounded. I believe that there are 27 receiving pension at this time and a few who are still sick who hope to get treatment if this bill goes through, who need it badly but so far have not received anything. I might add to Mr. Hake's statement in answer to the question that was asked, that we did various other duties over there. The crew I was on went into the dock area any time they were unloading any heavy ammunition, TNT or nitro, and stayed there all through. They did not have much hope if anything happened. There was one man who was supposed to run to the telephone if anything happened. But if anything did happen, the only man who could have done anything would have been the man who phoned. He would have phoned for another 400 or 500. When they were unloading nitro there was not much chance if anything did happen. We really could not have done a lot, but we were there and taking the risk. We did travel with the army once or twice. When the Canadian army was moved into Southampton they did not want English firemen with them, so they sent us to go up there to take turns guarding their camps and stores of petrol. We did many other duties but they were so secret that I cannot tell you what they were, because they did not let us know. We went down to one place and pumped out the water where they told us they were laying a pipeline or an oil line across the water. I really should not say this, to put it on the record, because I really do not know what it was, because they did not let us know.

Mr. BENTLEY: Mr. Chairman, it seems to me there is only one point to be considered in view of this affidavit. If the responsible minister of the government made this statement, it seems to me this committee has no further work to do than to implement that, if he did make the statement. How can we find out for sure from somebody else outside of representatives of the fire-

fighters whether he did or not? If he did, so far as I am concerned everything he promised them should be implemented by this parliament.

Mr. CROLL: It has been done already.

Mr. BENTLEY: No.

Mr. CROLL: You mean their benefits?

Mr. BENTLEY: There are a lot of things.

Mr. CROLL: The recommendation of the committee was that they would get the same benefits as the armed services. That has already been done.

Mr. BENTLEY: Why all this discussion then?

Mr. CROLL: You are a little late.

Mr. BENTLEY: No. I am just wondering what has been done on the recommendation of the committee.

Mr. CROLL: Nothing.

The CHAIRMAN: Of course, there is set out in the report of the inter-departmental committee just the things that they are getting now that are available, which are as follows:

(a) Benefits equivalent to those available to the armed services which are available to former members of the corps:—

1. Clothing allowance of \$100 on discharge.
2. Transportation home on discharge with travelling expenses.
3. Rights under the Reinstatement in Civil Employment Act.
4. Transportation with travelling expenses to the home of the member of the corps of wife and child (including adopted child or step child) when marriage to such member took place during his service outside Canada.
5. Pension for death or disability on "insurance principle" while overseas; on "arising-out of 'principle'" if not overseas. Pension paid at approximately service rates.
6. Medical treatment with allowances for pensionable disability only

Then in addition to that,

(b) Benefits which are available only to former members of the corps who served overseas:—

7. Rehabilitation grant of thirty days' pay and allowances if the member had service of at least 183 days overseas. With the exception of the overseas service requirement, this benefit is equivalent to similar benefit for the armed forces.
8. Rights under the Veterans Insurance Act. With the exception of the overseas service requirement, this benefit is equivalent to similar benefit for the armed forces.
9. Gratuity. Same as basic gratuity, only, for armed services and only for overseas service, i.e., \$15 for every thirty days of "service" as defined in the order in council. Neither gratuity for service in Canada nor supplementary gratuity for service overseas is payable.

(c) Benefits which are available only to former members of the corps who served overseas and who are in receipt of disability pension:—

10. Rights under the Veterans' Land Act. With the exception of the pension requirement in overseas cases, the benefit is equivalent to similar benefit for the armed forces.
11. Vocational and technical training with allowances. With the exception of the overseas service and pension requirements, this benefit is equivalent to similar benefit for the armed forces.



The following are the things that are not available to any members of the corps—

Mr. BENTLEY: Did we not recommend that they would be made available at our last meeting?

Mr. CROLL: Yes.

Mr. BENTLEY: What are we doing now, then?

The CHAIRMAN: We are hearing further submissions from these gentlemen. There has apparently been some thought that there is nothing more to be said. They are going to spend. All that this committee does is recommend certain things, but it has no power to actually make a decision as to the expenditure of money. Under our system of responsible government any decision on that must be taken by the ministry, and they have got to understand how they are going to get the money and they have got to take the responsibility of what they are going to spend. All that this committee does is recommend certain things. These gentlemen, I suppose, felt that they might put some further information on record which might be considered by the government before they came to a decision in the light of the recommendations by this committee. That is why they are here; and speaking for myself, I think it is quite in order, for them to be here.

Mr. Ross: I should like to ask one of these delegates whether they are satisfied with the recommendation this committee passed. If they are entirely satisfied, and if we go on attempting to do our business in this fashion, we are certainly going to waste a lot of time. I am perfectly in agreement with hearing these people, but I should like to know definitely whether they are satisfied with the recommendation this committee has made to the government.

Mr. COCKERAM: Mr. Chairman, there is just one thing I should like to say. I think the crux of this whole matter is General LaFleche's remarks. I think, if you will look at the press at the time this corps was formed, you will find what he said. I well recall where he referred to this as the fourth arm of the services. I well recall that in the press at that time. I think that is the whole question.

Mr. Ross: Mr. Chairman, I wonder if I could get an answer to my question?

The CHAIRMAN: Yes. Would you answer that, Mr. Hake?

The WITNESS: Yes. We are very satisfied with the committee's report; that is the one where you couple us in with the services, No. 6 of this committee.

Mr. MUTCH: Is not this the situation here? The committee has given a decision and made a recommendation. The people on whose behalf the committee made the recommendation have expressed their satisfaction with that recommendation. This is a courtesy hearing, an opportunity to these gentlemen to bring any further evidence before us in case this might develop into a difference of opinion at some later date. There is nothing respecting this hearing this morning for this committee to do, unless somebody wants to get up and move a resolution that we change our mind, which would be silly, or get up and say the committee has changed its mind which, I imagine, would be ineffective. Some of us spoke, at the beginning of this meeting, about the possibility of this being a waste of time. If anybody is wasting any time, we are doing it ourselves, and consequently I am going to quit.

Mr. BROOKS: I do not intend to delay the deliberations of the committee, but I think the whole point was, as to whether these men should be treated the same as soldiers who went overseas. The only objection that the government could take to their representation was as to whether they were enlisted as soldiers, whether they performed duties which were the same as soldiers, suffered dangers and so on. The committee discussed all this on a previous occasion and

we decided at that time that these men did work which was practically the same as soldiers did overseas, and that they should be treated the same as soldiers were treated. The only objection, as I say, that the government could take to giving these men the same treatment as soldiers was on the ground that they had not performed duties which were practically on all fours with those of soldiers. But we decided, I think, at our former meeting that we would consider that they did. Frankly, I do not see any reason for discussing the matter any further. I do not think there is any more proof that can be presented to this committee. We all agreed that they did excellent work, that they suffered danger just the same as soldiers, that they were away from their families and that they should be treated the same as soldiers. That is the stand that we took before, and I think that is the stand we all agreed on.

The CHAIRMAN: That was the decision of the committee.

Mr. GILLIS: Might I just say this, Mr. Chairman? This committee has already decided that they would be treated as soldiers. We have made that decision.

The CHAIRMAN: The committee made the recommendation that they receive the same benefits as those who joined the armed forces.

Mr. GILLIS: Regardless of this recommendation, this matter has to be decided by the government. What is going on here this morning, in my opinion, is that we are strengthening the case by placing additional evidence on the record. I think that, instead of our talking—people who know nothing about it—we should give the men who are here, who have the evidence, an opportunity to put it on the record, so that when the Cabinet is considering the matter, and the Treasury Board particularly, all the evidence to support the claim of the firefighters will be there in the record, as it should be. Let these boys get it in the record.

Mr. SKEY: I agree with what Mr. Gillis has just said, but surely the thing that we are considering here this morning depends on what the government's attitude may be.

Mr. MUTCH: We do not know.

Mr. SKEY: We should have had a report before the men appeared, a report from either the chairman or some section of the committee, as to whether there was need of any further evidence. Could you give the committee any enlightenment on that, whether there is need for further evidence, Mr. Chairman?

The CHAIRMAN: No.

Mr. SKEY: Can you give the committee any idea of what the attitude of the government may be?

The CHAIRMAN: It would not be right for me to do so.

Mr. MUTCH: The minister himself said that he did not know.

Mr. QUELCH: This committee has gone on record recommending that the firefighters be given the same benefits as men in the armed services. All of those who supported that, I think, are satisfied. But there may be some members of the committee, and there may be some officials of the government, who feel that recommendation is not a fair one. Therefore it would seem to me that the logical action to be taken now would be for those people who were not satisfied with the recommendation that we made, to ask the firefighters to explain certain points. Let us hear why certain people are opposed to that recommendation; then the firefighters are here now to reply to them.

Mr. FULTON: Mr. Chairman, that makes it a bit difficult for anybody else to get up. I am not opposed to the recommendation. But I wonder, Mr. Chairman, if you think it would be advisable for us to emphasize this point for the government's consideration; it was refreshed in my mind by the witness saying

the men were told to stand by and be ready for embarkation to go to France. I think that is a very strong point in support of the contention that they were on exactly the same basis as military personnel.

The CHAIRMAN: They did not volunteer for that, for service in France.

Mr. FULTON: There were numbers of other military personnel who did not volunteer for service in France.

The CHAIRMAN: They volunteered in England, but not when they joined here.

Mr. LENNARD: What is the difference where they volunteered and when? If they volunteered, were trained and were prepared to go to France, what is the difference?

The CHAIRMAN: I am not arguing the thing. Let me try to make my position plain. A question is asked, and I am trying to put the facts before the committee. I am not arguing the thing. If a question is asked and I give an answer that they did not volunteer in Canada for service other than in the United Kingdom, I am not arguing the question. I am just stating the fact.

Mr. ROSS: A question was asked of the delegation? Why not let them answer?

The CHAIRMAN: Well, we have a finding of the interdepartmental committee. That is presumably before the delegation, and arising out of the suggestion of the committee, I propose to ask the delegation if they have studied the report of the interdepartmental committee in regard to their case, and if there was anything in it they found incorrect.

Mr. GREEN: Before you go on to that, Mr. Chairman, one of the witnesses was wanting to make a statement a minute ago. I wish we could have that statement.

The CHAIRMAN: Very well.

Mr. ROWNTREE: I should like to answer the question that was asked. When we were asked to enlist, we were just asked to enlist as firefighters for service in Great Britain. But after we got over there, it was found that they needed firefighters to follow the army up; and there was an order in council came out offering us the chance to offer our services for any other part of the world, which we did as a body. That is why the 100 were selected out of the number.

Mr. MUTCH: You mean the routine order?

Mr. ROWNTREE: That is why the 100 were selected. I was one of the 100, and we considered that we were very lucky to be picked out to go to France to follow the army.

The CHAIRMAN: You do not know whether all who volunteered for service in the United Kingdom volunteered for service in France?

Mr. ROWNTREE: I would say practically all.

The CHAIRMAN: Yes, but you do not know that they all did?

Mr. ROWNTREE: No, I do not know that they all did; but I know that my own station did.

The CHAIRMAN: Have you, Mr. Hake, read the report of the interdepartmental committee in regard to your corps? I presume you have. Is there anything in it that you find incorrect or that does not properly represent the situation?

Mr. BLAIR: Mr. Chairman, are the firefighters eligible for overseas medals or marks of service of any kind?

The CHAIRMAN: Perhaps Mr. Payne can answer that question.

Mr. BLAIR: Have they any board to recommend that?



Mr. PAYNE: I went up as head of a delegation before the Awards Co-ordination Committee on behalf of the firefighters in connection with awards for Canadian volunteer service. The Awards Co-ordination Committee said that the order in council restricted them or confined the awarding of medals to members of the armed forces, so they would not consider it. Then representations were made through the Awards Co-ordination Committee to the British government and the members of the Corps of Canadian Fire Fighters were declared eligible for the Defence of Britain medal; that is, with one year's service. But I think, speaking from memory, there are only about 24 men who did not have a year's service. Am I right?

Mr. ROWNTREE: Yes.

Mr. C. H. PAYNE: Every member of the corps at the present time is wearing the ribbon which we got permission of the Department of National Defence to issue. Those are the only two medals that were involved. The same stand was taken by the Department of National Defence with respect to the discharge badge for the armed forces. Once again they said the firefighters are not eligible. General LaFleche obtained approval of council for the issue of a special discharge badge for the firefighters, but it is not the same badge as members of the armed forces were given.

Mr. CROLL: To bring this to an end now—

The CHAIRMAN: Just before you do that, I should like to get an answer to my question.

Mr. CROLL: About what?

The CHAIRMAN: About the finding of the interdepartmental committee that was put in the record. Does that correctly represent the situation in regard to your corps or in what way does it not, if it does not represent the situation?

Mr. LENNARD: I am wondering if that is a fair question to put to them. I am just questioning the advisability of asking a question like that and putting them on the spot.

Mr. MUTCH: What do you mean putting them on the spot?

Mr. LENNARD: I do not talk very much in this committee, and I have got something to say now. There is another point I want to clear up, Mr. Chairman, and that is this. Were they not indirectly invited to write in to request this hearing? In other words, was it not through the back door? Did the chairman of this committee not wish to have them here?

The CHAIRMAN: There is nothing in that. What date is that letter, Mr. Skey? It is a long time ago. I told Mr. Skey, a member of the committee, that if they wanted to appear here I was sure that the committee would be ready to hear them.

Mr. SKEY: I wrote on April 5 to the secretary-treasurer.

The CHAIRMAN: I recall the circumstances now. I could not place it when you spoke to me this morning. I will explain what happened because you brought it up. I said they had appeared before the interdepartmental committee and that I did not understand they wanted to appear before this committee. Mr. Skey, a member of this committee, informed me they felt they should have been called before the committee, so I told Mr. Skey that if they wanted to appear before this committee I was very sure that the committee would be quite prepared to hear them. On that basis Mr. Skey wrote them to that effect, that I was sure that the committee would be pleased to hear them if they wished to appear before the committee. I took that up with the steering committee and the steering committee approved of my decision. This committee this morning approved of the steering committee's report, and I do not understand why it is questioned again. How often do these things have to be approved?

Mr. LENNARD: Just a minute; I do not suppose that the steering committee knew for one minute that you had asked Mr. Skey to write to the firefighters in Toronto.

The CHAIRMAN: The steering committee can bear me out in this, if my statement is going to be questioned. I told the steering committee that these people felt that they should have been heard by this committee, and on that account I suggested that they be given a chance to be heard. The steering committee bore me out that if they wanted to be heard by this committee they should surely be heard. There are two members of the steering committee here. I think they will bear out the fact that I tried to make as full disclosure to them as I possibly could before they made a decision. Mr. Quelch and Mr. Brooks are here.

Mr. CROLL: May we wind this up? There is not the slightest question as to what the chairman has said. I do not know why we invited an amendment here. What are we talking about? Let us bring it to an end. In any event the committee have passed it. We are bound by what the committee has done. We are satisfied with what the committee has done and there it is for the purpose of the record. It is now up to us to see that the committee's intentions are carried out. Let us drop it for the moment and allow these gentlemen to go home. I hope they have enjoyed the trip down here. We are glad to see them, but there was a bit of danger there and I think the chairman faced up to it. They had not been heard. If there was any possibility of everything not being given them as was intended it is just as well that they be here, present the case themselves and get some reasonable satisfaction from that. I do not think any intention on the part of the committee could change that decision. I think the intention of the whole committee is to see the decision is carried out. I think I will let it drop at that.

The CHAIRMAN: Do you care to answer the question which I asked you about the inter-departmental committee's report in regard to your case?

Mr. MAGILL: As one of the members has said that is rather hard to answer. We are satisfied with your ruling. Anything we say now might not help us.

Mr. CROLL: Then do not say it.

The CHAIRMAN: I asked you if you wished to make any comment on it. If you do not wish to you do not have to.

Mr. MAGILL: No, I do not think we have any comment to make on it. Thank you.

Mr. SKEY: Just before we close the proceedings I feel that we should leave this matter open to a certain extent because this committee still does not know what the attitude of the government is going to be on his subject. If their attitude is not going to be in support of the resolution passed by the committee then there is no doubt that the firefighters should be heard again, and present a further brief. They have come down here too soon. We should have had the report in before they came down.

Mr. CROLL: That is not the practice.

Mr. SKEY: Perhaps not the practice, but they have nothing to protest about now.

Mr. CROLL: That is good.

Mr. SKEY: And if they have they should be invited here again.

Mr. MUTCH: You are not going to suggest as to any matter which comes before this committee that every time we lose an argument we are going to reopen that case. We would never get through.

Mr. SKEY: There was certain opposition to their brief when we met before and the committee have not questioned them on the opposition.

Mr. Mutch: On that point, Mr. Chairman, before you close the matter, I should like to say that I moved the amendment in the committee on April 11th that we separate consideration of the firefighters from consideration of the auxiliary service officers. I made it very clear at that time I did not think they should be dealt with in the same blanket way. I do not like conditional benefits. The committee at that time was unanimous with respect to one and there was some degree of difference with respect to the other. I moved that amendment, but I do not want that amendment to be interpreted by you now or by anyone else anywhere else as opposition to the claims of the firefighters. To me they are not in the same position. In the one case there was a contract. Nobody has disputed it. It may be verbal and it may not be verbal, but it is a preferred claim over any other similar contract. I made that abundantly clear. I do not think we should open that up now. Now, just let me say what I have to say.

Mr. Lennard: Nobody said anything.

Mr. Mutch: I always agree with you when you do not say anything. I want to say, in case I am brought into this thing, that I moved that amendment and I am not going to have it suggested by Mr. Skey or anybody else that the amendment was against the claims of the firefighters at all. I made that abundantly clear.

Mr. Skey: I was not suggesting that at all.

Mr. Mutch: All right. If there was any opposition the only opposition—and the minutes are clear, I have them here—was an attempt to get a decision to deal with them separately. You cannot interpret that as opposition. As far as I am concerned my own position with respect to the firefighters is clear. I stand by it, but when you spoke of opposition in that meeting what else could it mean but that? I want to make it abundantly clear that is not opposition. I was not opposing them then and I am not quarrelling with the decision of the committee now.

Mr. Lennard: I would second Mr. Croll's motion that the matter be closed.

The Chairman: I am glad to get that assistance. I was going to say that I have a letter from the chief of the firefighters in Great Britain—I think his name is Firebrace—which I thought I had in my files here, speaking most approvingly of the work of the firefighters. I feel in fairness to them I should put that on the record, and with your approval I will get it at the conclusion of the proceedings to-day and put it in as an appendix to our proceedings. (Appendix "B").

Mr. Hake: I wish to thank you and the committee for listening to us. I know you have got a lot more valuable work to do.

The Chairman: The other witness we have for today, gentlemen, is Mr. Stephen Jones, President of the Federation of British-Canadian Veterans of Canada. He wishes to present a brief and the steering committee decided to hear him this morning. I call on him now to present his brief. It appeared in the record at page 1128 of the proceedings of last year, No. 34.

Mr. Croll: Did the committee deal with that?

The Chairman: They did not deal with War Veterans Allowance so it is not in the interdepartmental committee's brief.

Mr. Fulton: Is that interdepartmental committee's report on record?

The Chairman: Yes, it was tabled and appears in No. 1 of the proceedings this year.

Mr. Croll: But not with this group?

The Chairman: No, it does not deal with this group.

STEPHEN G. JONES, President, Federation of British-Canadian Veterans of Canada, called



Mr. GILLIS: What organization does he represent?

The CHAIRMAN: He will give that. Give the organization you represent and where you are from.

The WITNESS: Mr. Chairman, I am president of the Federation of British-Canadian Veterans of Canada, and our headquarters is in Hamilton. With your permission before reading the brief, and the brief is very brief, I should like to tell you something about ourselves as to how we came into being and particularly of interest a visit we had to the capital a year ago this month.

The reason for our visit at that time was to ascertain as closely and as accurately as possible why previous parliamentary committees had frowned on and turned down previous representations by the Imperial section of the Canadian Legion to include the Imperial veteran who had been domiciled in this country since the Act came into force in July, 1930, and also why these recommendations had been turned down. It was more in an advisory capacity we came down here because we discovered we had been groping in the dark, and very much so. We found as to the War Veterans Allowance Act that even Canadian soldiers who had not served in an actual theatre of war were excluded from its provisions. As I say, we were groping in the dark.

We had a chat with the Minister of Veterans Affairs, Mr. Mackenzie, who received us very courteously, and pointed out to us that as long as provisions existed which excluded the Canadian soldier how could we as Imperials enjoy these benefits. He was right. There is no question about it. He was right. Going back to 1930 and previous to that he was right.

Today we feel that we have earned not only an appearance before this parliamentary committee but we feel that we deserve consideration because of our residence in this country for the past twenty or twenty-five years and because we have raised our families here, we have paid the taxes that are expected from us and we are loyal British Canadians. I do not like the word "Imperial" any more than a Canadian would, and as such we have been more or less divided, not solely because of that reason, but it has been prejudicial in the respect that we have created a division by being labelled, if you can call it that, or being known as Imperials. I think that you are proud to be Canadians. You have been born here. I think the underlying factor as to why the Imperial command has been carried forward throughout the years is because we too were proud of being born in Great Britain, but where veterans are concerned you can divide the life of the veteran between the service he had overseas in the first great war and his residence in this country for the past twenty or twenty-five years. He is a British Canadian, definitely both, in my opinion, and also in the opinion of this Federation a British Canadian. We are known as such.

We were organized in 1944 from some forty units of the British Imperial Comrades Association that were existing in Ontario at that time. They had been in existence for at least ten to fifteen years and were well organized. They had been operating under their own charter as the British Imperial Comrades Association of Ontario, and there is also a dominion charter existing under the British Imperial Comrades Association. They felt by federating they could first of all obtain unity which was so necessary amongst the Imperials and secondly that we could formulate constructive legislation to be presented to parliament where the War Veterans Allowance Act was concerned governing what is termed the burnt-out pension.

We have these forty units in Ontario with a total membership of 3,000. We are represented on the united council of veterans in Hamilton which has a unit value of forty units and throughout the dominion we have an associate membership of almost 20,000. True you have not heard very much about us. We are rather modest in that respect. We have not had a lot of publicity, but the fact remains that we wanted to do this. We wanted to find

out where the British Canadian soldier was if he was not in the Imperial section of the Canadian Legion? Where was he? We can belong to this organization or we can belong to that, but the fact remains that where the British Canadian soldier is concerned he was a straggler before this war just concluded. We did not know where he was. It has been our job to find him and put him in an organization.

May I mention that we do not seek to entice anyone from any major veterans' body. We do not do that at all, but where the British Canadian soldier is not affiliated with any major veterans' body we want him. Let me assure you we work very closely with the Canadian Legion. We have the warmest co-operation with my good friend, Captain Kermack, who is the British representative down here. We have the closest co-operation. I am hoping to see in the very near future one strong banner where the British Canadian veteran is concerned as the Imperial section of the Canadian Legion, one very strong banner.

Gentlemen, I have given you briefly a resumé of our organization and how it functions. There is this I might say that we are conducting a very sound welfare program amongst our aged and sick members, but this is just a temporary matter. It becomes very draining sometimes, and consequently after sixteen years of trying to obtain recognition from parliament under the War Veterans Allowance Act I am here to-day to carry on the fight still. On the basis of the representations I have just made I shall read you our brief, Mr. Chairman and members of the committee.

*For submission to the first Parliamentary Committee on Veterans Affairs by The Federation of British-Canadian Veterans of Canada with reference to the extension of the War Veterans Allowance Act to*

1. All Canadian veterans.
2. British-Canadian veterans.
3. British-Canadian ex-service women.
1. The general feeling amongst the British-Canadian veterans resident in Canada during the past twenty-five years is that there should be some form of social or veteran legislation to take care of the British ex-service men and women in their old age.
2. If reference, in brief, is given to the British forms of social legislation (true there is none comparable to the W.V.A.) applicable to the care of veterans in their old age—it can be found that pre-1914 social legislation was readily adaptable in post-war years—such as non-contributory old age pensions—after residence in Great Britain of Canadians in particular, after 12 years, National Health and Unemployed Insurance, widows' and orphans' pensions.
3. When the British veteran became resident in Canada after the last Great War there was nothing in the form of social security to replace what was available to them in Great Britain. The Unemployment Insurance Act—clause 99 although enacted has not, as yet, been implemented to embrace reciprocity between Canada and Great Britain.

I do not know whether you know that or not, but that is true. It is in the Unemployment Insurance Act, section 99, and has never been implemented. Reciprocity has been implemented and exists between ourselves and the United States, but not with Great Britain. In other words, if a British immigrant wishes to come out here he must first work 180 insurable days in this country before he can make a claim for benefit, but if a Canadian resident went to the United States and had to his credit unemployment insurance contributions covering a period of 180 days, which he would have had normally by being



resident here since the Act came into force in 1941 and working continuously, he could apply for his benefit rights in the United States immediately he set foot on their soil.

*By Mr. Brooks:*

Q. How about a United States workman coming to Canada?—A. That I cannot answer. I am sorry as far as that is concerned, but if my knowledge of the Act is correct I think the same reciprocity exists with regard to them coming here from there if they have their social security rates up to date. I believe it does apply.

Q. I would think so.—A. I think so. If it worked on the one end I should think that it would work on the other. Canada is the daughter of the Empire and it is rather surprising that that Act has never been implemented as to this country and Great Britain. We are all one. It is very strange. I will go on with the brief. Although Great Britain has reciprocal arrangements with Australia, New Zealand and Ireland, of the Unemployment Insurance Act combined with the forms of social legislation as contained in paragraph two of this brief.

4. Before and since September 1930 the War V. A. Act came into force the plight of the unemployed old British Canadian veteran was pitiful—and up to the present time, is the same degree, thus, in case, being separate and to his Canadian brother in arms with whom he fought side by side.
5. Despite the tragedy the British-Canadian veteran has raised his family—paid taxes—contributed to the public weal—nay, has sons and daughters who have worn and still wearing the proud uniform of Canada. Is not that, alone, a loyal and concrete example of faithful Canadian citizenship warranting equal status for the British-Canadian parent who has been striving to obtain recognition of entitlement to the benefits of the W. V. A.
6. It is also, at this moment, noteworthy to mention that where British-Canadian veterans are in receipt of a British pension for disability while on service, it is utterly impossible to exist on the same because of the rate of currency exchange between Great Britain and Canada. \$4.43 a week for a single veteran, and \$8.86 a week for a married veteran constitutes the pension in Canadian currency. Truly, should there not now be better social security enacted than hitherto available for the British-Canadian veteran and British-Canadian service women.
7. Yet, there has been a difficulty experienced by previous Parliamentary Committees in extending the W. V. A. to British-Canadian veterans and ex-service women—an Act which came into being September 1930 applicable in benefit only to British-Canadians domiciled in Canada prior to the last Great War and Canadian veterans who saw service in an actual theatre of war—only. The Canadian who did not serve in an actual theatre of war is still excluded.
8. The chief provisions of the W. V. A. are:—
  1. To meet a condition of disability or inability to maintain themselves on the part of veterans who
  2. Had served in the First Great War in a theatre of actual war or—
  3. Who are in receipt of pensions for injury or disease incurred or aggravated during war service the war 1914-18, or—
  4. Who have accepted final payment in lieu of annual pension in respect of such disability rated at 5% or more of total disability.
  5. Age—condition and circumstances of the applicant also enter the picture.



9. The above material points are all Canadian in legislation. The very provisions we, as British-Canadian veterans are, and have been seeking, for at least the past fifteen years. We, as British-Canadian veterans are not unmindful of this, therefore, the Federation of B. C. Veterans, respectfully ask that, by solemn resolution and submission to the first Parliamentary Committee sitting at the earliest possible date:

1. The Dominion Government give expedient extension of the benefits of the W. V. A. of 1930 to ALL Canadian veterans and ex-service women regardless of where they served—providing such veteran has received an honourable discharge.
2. That the Dominion Government give expedient extension of the W. V. A. to all British-Canadian veterans and ex-service women who have been domiciled in Canada prior to, and since September 1930.
3. That the Dominion Government make note there will not be more than 5 per cent British-Canadian veterans and ex-service women at present eligible for the W. V. A.
4. That the Dominion Government give expedient employment to reciprocity—on the basis of future immigration to:—
  1. The Unemployment Insurance Act—clause 99.
  2. Future national health and welfare rights and benefits thereunder.
  3. Widows', orphans' and invalids' pensions.
  4. Workmen's compensation.
  5. Contributing and non-contributory old age pension.
  6. British health insurance legislation makes it possible with other Dominions of the British Empire to secure continuity of insurance of persons who, being insured in Great Britain are, on becoming resident and unemployed in another Dominion with which such an arrangement is made.

That, gentlemen, is our brief. I do not wish to keep you any longer except to ask that on the basis of what you have heard in that brief you look favourably on the inclusion of the British Canadian veteran and Canadian soldier who did not see service in an actual theatre of war. If a man could not leave England to go to France in the first world war there may have been a medical reason why he could not go. The man would be perfectly willing, good at heart, and anxious to go and serve his country. The man did not say, "I do not want to go". The M.O. came along and said, "My lad, you cannot go. That is all there is to it." He has been excluded. That is the situation. In this country there are 186,000 British Canadian veterans as of the last census that was taken four or five years ago. Then you have the picture of the British veterans who are going to come to Canada very soon. It is our chore, it is our job to look after them. We will do that. We are doing it now. Their inclusion in this Act will benefit not only the 186,000 but it will also be the grandest gesture that the government of Canada can make to the loyal British Canadian veteran who has served in the front line during the last five or six years in Great Britain and wishes to come to Canada, take off his hat and say, "I am here as a British Canadian." Thank you, Mr. Chairman and members of this parliamentary committee.

The CHAIRMAN: Does any member of the committee wish to ask Mr. Jones any questions?

Mr. LENNARD: I do not wish to ask any questions, but will this come up when we are considering that?

The CHAIRMAN: The War Veterans' Allowance Act, yes. I should have advised the committee before, but I suppose all of the committee know Colonel

Garneau. He is chairman of the War Veterans' Allowance Board, and I asked him to be here this morning, partly in case you wished to ask him any questions arising out of this brief, and partly because he has never appeared before a parliamentary committee and I thought it would be a good thing for him to get an idea of how a committee acted and get a little bit acquainted before he has got to appear on his own work.

Mr. MUTCH: A fine morning.

The CHAIRMAN: There is one question I should like to ask the witness.

*By the Chairman:*

Q. How many imperial veterans, or British Canadian veterans, do you think this suggested amendment would apply to; that is, those who were domiciled in Canada at the time of the coming into force of the War Veterans' Allowance Act?—A. Well, Mr. Chairman, that can be divided into two answers. First, age is a dominating factor in the War Veterans' Allowance Act; I think at the age of 60 or something like that. I would say there would not be any more than 20 per cent at the present time.

*By Mr. Croll:*

Q. Twenty per cent of what? Twenty per cent of 186,000?—A. Of the 186,000, in the age. I am giving that from memory; remember that. I do not want to exaggerate the facts. It is not very easy for me to give you a real concrete example, because you have the age and you have the disability, which are two important factors in obtaining war veterans allowance pensions. I would say, myself, that there would be around 25 to 30 per cent of the age, and an equal amount of the disability.

*By the Chairman:*

Q. That 186,000, Mr. Jones, includes what?—A. In what respect, Mr. Chairman?

Q. Does that include British Canadian veterans who served in a theatre of actual war in the last war, or British Canadian veterans in total?—A. That would include British Canadian veterans in total; of the number of British Canadian veterans who were excluded from the Act, I could not inform you.

Q. But this 186,000 is the number of British Canadian veterans domiciled in Canada at the time of the coming into force of the War Veterans' Allowance Act?—A. That the Act would affect, yes.

*By Mr. Brooks:*

Q. Does that include South African veterans as well as veterans of the great war?—A. Yes, it would, if they had been domiciled in Canada since July 30, 1930. Yes, it would.

*By Mr. Green:*

Q. How do you arrive at those figures? That seems to me to be a very large number.—A. Yes, I agree with you, it does; but a census was taken by the Imperial division of the Canadian Legion five years ago of the number of Imperial veterans who were resident in Canada, and I do not think myself that it was a haphazard guess, or anything like that. I think they were very safe in their census on it, and we have not questioned their figure. As far as our federation is concerned, there is no question at all about it. I can give you the number that would affect us, but we are not seeking that alone; we are seeking it for all British Canadian veterans in Canada, and that is where the census was taken five years ago by the Imperial section of the Canadian Legion.

*By Mr. Brooks:*

Q. How many belong to your organization?—A. We have a membership of 5,000 in Ontario. We have representative recognition on the United Council of Veterans in Hamilton, which has 40 units, numbering somewhere about 2,500. And then through the west we have an associate membership, I would say of around 20,000.

*By Mr. Fulton:*

Q. How many?—A. 20,000.

*By Mr. Herridge:*

Q. I might ask the witness a question or two. Personally I am very much in sympathy with giving the war veterans' allowance to the British Canadian veterans who served overseas. Does not the witness think he is weakening the case of the organization in question, or the men in question, by asking for the war veterans' allowance to be given to all people whether they served overseas or not? The war veterans' allowance was given as some compensation, as I understand it, for men who were, shall we say, prematurely aged owing to battle conditions. I would ask the witness this: does he not think those people would be better served under a general national security plan than by trying to bring them in under the War Veterans' Allowance Act?—A. The question is that at the present time, also a year ago, we were informed by the Minister of Veterans Affairs that as the Act excluded Canadians who did not see an actual theatre of war, how could we, even although we had seen an actual theatre of war—I myself had six years in it and a year in this with the auxiliary services, not overseas—expect inclusion. He says, how can you expect any inclusion yourselves until the same is given to the Canadian soldier? That is the standing and the status of the Act at the present time. We feel that in that respect why should we ask for something which is strictly a Canadian piece of legislation in itself and not British, unless the Canadian soldier also enjoys the same privilege. That is the reason. Any other form of security for the British Canadian veteran, I think, would probably tear everything to pieces regarding what I have submitted here this morning, in so far as we do not want any division at all. We are British Canadian, Canadian by adoption, as you may call it, or Canadian by our own desire. Any form of separate social security I think myself would be quite a big job. As it is at the present time you still have the dividing line to determine as to whether it was the soldier's own fault that he could not get from Britain to France in the first war. Was he rejected on medical grounds or was he rejected from some other cause? The fact remains, I firmly believe, that any soldier who wanted to serve, any Canadian soldier who wanted to serve and his heart was in the right spot, if it was not for medical grounds he would have been over in the front line in the first great war. He would. But there is the point that because of the medical status that man had at the time, that soldier was deprived of going over. Now as the Act still stands, it includes those who have served in an actual theatre of war. Have we not through the years, come through these years sufficiently long enough to be a little more lenient where that is concerned? Because I do not think there would be a large percentage of Canadian soldiers who did not see active service that would benefit under the Act, but there would be some; and they are getting old, they are getting on. Consequently there is nothing to take care of either your boys or ours. Does that answer your question?

The CHAIRMAN: Just arising out of that, Colonel Garneau brings to my attention an answer which he got as to the number of imperials, British Canadians, who got into a theatre of actual war and who were domiciled in Canada in 1930. I think the committee would like to have that information. They are the actual ones who would be affected by the Act if you changed the date of domicile, from the date of enlistment, to September, 1930.



Colonel F. J. G. GARNEAU: Mr. Chairman and gentlemen, this information was based on information gotten from Captain Kermack of the imperial section of the Canadian Legion in 1943; and based on that information secured from the 1940 census, the Canadian Legion estimates there were 36,015 ex-imperials living in Canada who would be eligible to apply under the present terms of the Act for war veterans' allowances if the pre-enlistment domicile clause in the War Veterans' Allowance Act was amended to September 1, 1930, instead of the date of enlistment as it is at the present time. If the established rate of death of 3 per cent per annum is applied to the above figure—that is what was estimated from various censuses, that 3 per cent of the veterans die each year—it would be reduced to 30,929, as at December 31, 1945.

As the War Veterans' Allowance Act now stands, 15 per cent of potentially eligible veterans have been admitted to the benefits of the Act. We find that figure fairly consistent. If this percentage is applied to the above figure of 30,929, it would amount to 4,639 applicants admitted to the benefits of the Act.

I do not know if you are interested in the rest of this?

The CHAIRMAN: Yes.

Colonel GARNEAU: The average yearly rate of veterans' allowance now being paid to veterans only is \$426.52, so that the annual liability of admitting the 4,639 ex-imperials to the benefits of the Act would be 4,639 multiplied by \$426.52, which would give a total of \$1,978,626.28.

Mr. FULTON: Arising out of that statement by Colonel Garneau, might I ask him a question? I should like to ask him what he means by potentially eligible, when he spoke of 15 per cent of potentially eligible veterans?

Colonel GARNEAU: That is potentially eligible on the basis of the number of veterans who have applied; the ratio of eligibles who have actually applied to those eligible in numbers, so to speak. About 15 per cent are either in necessity to the point of being eligible to apply, or their health is such that they will be eligible or they have reached 60 years of age.

Mr. FULTON: Of those who applied, only 15 per cent actually qualified? Is that what you mean?

Colonel GARNEAU: No. Out of 100 per cent, 15 per cent will eventually be on war veterans allowance for the various reasons.

The CHAIRMAN: What you say is that there actually are what number?

Colonel GARNEAU: 36,015.

The CHAIRMAN: 36,015 British Canadian veterans would be eligible under the terms of the present Act, that served in a theatre of actual war, if we changed the date?

Colonel GARNEAU: Under the present legislation.

The CHAIRMAN: That is, Mr. Jones says there are 180,000-odd British Canadians in Canada.

The WITNESS: In Canada.

The CHAIRMAN: That seems very high, but includes men who saw service only in England and Scotland. What we are concerned about would be how many might become available to apply if you left the basis the same as for Canadians?

Mr. HERRIDGE: Do these figures include those who saw service in the South African war?

The WITNESS: Yes.

Colonel GARNEAU: Yes.

The CHAIRMAN: If there are no more questions to be asked of Mr. Jones, I thank him very much for his presentation.

The WITNESS: Thank you, Mr. Chairman, and thank you, members of this parliamentary committee. I trust that you will give it your honest and definite consideration.

Mr. LENNARD: Mr. Chairman, I do not want to interrupt you, but in this connection would it not be better if the steering committee and yourself called these witnesses just prior to the discussion of the Act that is to be altered to meet the conditions that they are interested in, rather than to have them called possibly a month or two months before, with the result that if it is buried and forgotten by the time the matter comes up actively for discussion?

The CHAIRMAN: Well, the steering committee itself took that into consideration and I tried to follow that policy. But this was very much a new suggestion, and I think the steering committee thought it would do no harm to have it printed and before the members of the committee for consideration, especially in view of the fact that we were going to take the War Veterans' Allowance Act right after the Pension Act. But the steering committee considered the very point you have mentioned and decided to follow that policy as closely as possible.

Mr. LENNARD: The reason I mention it is that I am naturally interested in the problems of British Canadian veterans, and I would hate to see their case weakened by having it side-tracked. But if the situation is as you have stated, I feel it will be well looked after.

The CHAIRMAN: Now gentlemen, I have ready for distribution the draft of a proposed bill with respect to civilian war pensions and allowances. This is the bill that provides pensions for the merchant seamen, auxiliary services personnel, corps of civil firefighters, Royal Canadian Mounted Police, Royal Canadian Mounted Police special constables, air raid precaution workers, civil government employees, (war) South African Nursing Services and injury during remedial treatment. This is quite a long bill and it is going to be distributed at once. I thought that if the committee wished to meet tomorrow, it could usefully start considering this bill, because it just embodies existing legislation in the form of a bill. When this came before the steering committee we actually did not have the bill printed, and I ask the indulgence of the steering committee for bringing it up. I have looked at the bill just in the few minutes I have had it here, and it looks to me as if we could make good use of two hours tomorrow considering some of the non-contentious clauses of this bill.

Mr. GREEN: How does that affect the bill that has already gone through the House as to the South African nurses?

The CHAIRMAN: Pension matters are dealt with in regard to the South African nurses in this particular bill. The South African nurses bill deals with matters other than pensions.

Mr. GILLIS: That is all-inclusive for auxiliary services?

The CHAIRMAN: This has to do with pensions. It brings into one Act all the law with regard to pensions in regard to all the different miscellaneous services that are akin to the armed services. I have looked through the bill, and I think if it is distributed at once, the members of the committee could deal with the non-contentious clauses of it and make good use of two hours tomorrow.

Mr. GREEN: There will be another bill dealing with the auxiliary services and the firefighters?

The CHAIRMAN: No. They are included in this bill; that is, in regard to pensions for them.

Mr. GREEN: What about the other benefits?

The CHAIRMAN: Oh, that is in another bill. This is only pensions legislation.

Mr. FULTON: Do you not think it might be advisable to wait until after we have finished the Pension Act itself?

The CHAIRMAN: Well, that is a thought. But what I had in mind was this. We have so much to do that it appeared to me that we could take this bill, in which there are 57 clauses, run through it, and adopt the ones as to which there does not seem to be much controversy, and let those clauses stand as to which there is controversy. In that way I think we could make very good use of two hours tomorrow and really make worthwhile headway.

Mr. GREEN: Why can we not take the Pension Act tomorrow?

The CHAIRMAN: The reason is this. That was discussed in the steering committee and they authorized me, if the Cabinet had not had time yet to consider the deliberations of this committee and consider the whole question, to adjourn the committee until Monday. But having got this bill—

Mr. GREEN: We were in the middle of the consideration of the insurance principle and the question of pre-enlistment condition. Why should we have to wait for the Cabinet to reach any decision before going on with that?

The CHAIRMAN: That came before the steering committee, and the reason was that it was felt that it would involve a lot of discussion that might turn out to be quite unnecessary if the decision of the Cabinet was one way rather than another. In other words, the steering committee were trying to avoid spending a lot of time discussing something that later the Cabinet might decide in a certain way. That was the recommendation of the steering committee. They met on Tuesday and they authorized me to adjourn the committee if the decision was not made; that is, to adjourn this meeting until Monday. But on seeing this bill, it seemed to me we could usefully use two hours in adopting the non-contentious clauses of it. However, if the committee does not wish to do that, then I would feel bound by the decision of the steering committee to adjourn until Monday.

Mr. GILLIS: Mr. Chairman, as I see the matter, the Pension Act already covers to some extent the service personnel that it does cover. The auxiliary services have no pension benefits so far.

The CHAIRMAN: Oh, yes.

Mr. GILLIS: Very little.

The CHAIRMAN: Oh, yes.

Mr. GILLIS: In some few things. I am agreeing with you now, if you will only allow me, Mr. Chairman. I think that bill should be taken, gone through and completed; because the merchant seamen and a lot of these fellows have no rights to hospitalization and it is twisted in all directions. Every member of the House, if he is getting as many letters on this matter as I have been getting, will realize the necessity of coming to some definite decision on this matter of pension, hospitalization and all that goes with it with regard to the auxiliary services. The consideration of the Pension Act itself is going to be long and it is going to be contentious. There are a lot of things I think should be in that bill—and I hope they are—that I should like to see passed, implemented and given effect to, so that it would relieve a lot of the grievances that the auxiliary services have at the present time. To test the committee, I am going to move that we sit tomorrow morning, take that bill, deal with it, and if possible complete it.

Mr. BENTLEY: I second the motion.

Mr. BROOKS: Now, the decision was to go on with the pension bill. The steering committee so decided some time ago, and that was adopted by the general committee here yesterday when the steering committee met. The chairman told us—I think on good authority—that on account of the extra



work which the cabinet had been doing it had not been able to consider some of our recommendations with regard to the pension bill, and he also expressed the opinion that the cabinet was likely to grant many of the matters which we would discuss in the committee here.

The CHAIRMAN: I think I said I hoped.

Mr. BROOKS: Shall I say that he expressed the hope and he gave us very good reason to believe that his hope would be realized. In that case, basing our decision on what we were told, we said that it would be well to let the pension matter stand until the cabinet had decided on this point; but we did not waive the right to go on with the pension bill and let all these other matters come in ahead of it. This was only a temporary suggestion to cover a day or so, I think.

The CHAIRMAN: That is quite clear, Mr. Brooks. What I am suggesting is that rather than not meet that we take this matter up until such time as we can proceed fruitfully with the Pension Act—simply that this matter be taken into consideration to-morrow only; and if it should happen that there is still another day we have to wait for a decision I suggest that we make use of that time rather than adjourn. May I say to Mr. Gillis that the recommendation of the steering committee was that we proceed with the Pension Act, and all I am suggesting is that we use to-morrow. I think that is what Mr. Gillis wishes to move. I do not want to do anything contrary to the wishes of the steering committee, and I hope they do not feel that I have done anything. I think when the committee sees this bill it will agree that we can make good use of to-morrow.

Mr. CROLL: Are they not orders in council?

The CHAIRMAN: Yes, but we have ultimately to go over them. In the case of anything that is contentious we will allow it to stand aside. Is the committee prepared to meet to-morrow?

Mr. QUELCH: If we do not complete the bill on Friday, on Tuesday we will go on with the pension bill?

The CHAIRMAN: Oh, yes, we will revert.

The Committee adjourned to meet on Friday, May 3, 1946, at 11 o'clock a.m.

### APPENDIX "A"

#### SOLDIER SETTLEMENT AND VETERANS' LAND ACT

##### LOANS REPAID IN CASH

Province	From Inception to March 31, 1940	April 1, 1940 March 31, 1941	April 1, 1941 March 31, 1942	April 1, 1942 March 31, 1943	April 1, 1943 March 31, 1944	April 1, 1944 March 31, 1945	April 1, 1945 March 31, 1946	Total
British Columbia.....	447	39	67	72	103	105	92	925
Alberta.....	685	39	77	120	206	268	213	1608
Saskatchewan.....	518	32	56	64	178	310	202	1360
Manitoba.....	202	4	20	29	77	99	54	485
Ontario.....	430	24	47	50	61	50	32	694
Quebec.....	46	11	6	12	10	11	6	102
Maritime Provinces.....	264	9	18	53	54	55	35	488
All Districts.....	2,592	158	291	400	689	898	634	5,662

A. G. WOOLSEY

for W. G. Wurtele

Chief Treasury Officer.

**SOLDIER SETTLEMENT AND VETERANS' LAND ACT**  
**DOMINION COLLECTION STATEMENT**

Soldier Settlers

Period April 1, 1945, to March 31, 1946

District	Due payments—Number of Settlers					Due payments—Amount			Percentages	
	With pay-ments due	Paid in full	Paid in part	Total paid	% paid	Current instal-ment due	Total due including all arrears	Amount paid	Current instal-ment paid	Total due paid
						\$ cts.	\$ cts.	\$ cts.		
Vancouver.....	526	418	95	513	97.5	47,995.09	70,697.36	55,669.79	115.9	78.7
Edmonton.....	1,470	772	359	1,131	76.9	161,629.10	388,177.87	191,074.67	118.2	49.2
Saskatoon.....	1,516	1,083	212	1,295	85.4	169,737.30	344,490.38	185,856.96	109.5	54.0
Winnipeg.....	378	280	83	363	96.0	46,178.76	70,332.82	48,184.42	104.3	68.5
Toronto.....	278	205	28	233	83.8	31,742.94	41,756.74	27,010.75	85.1	64.7
Montreal.....	32	26	5	31	96.9	3,460.69	3,565.21	3,242.76	93.7	90.9
Saint John.....	243	159	66	225	92.6	19,958.22	29,092.76	17,767.72	89.0	61.0
	4,443	2,943	848	3,791	85.3	480,702.10	948,113.14	528,807.07	110.0	55.8

District	Prepayments		Leases—Reverted farms			Total cash received due payments prepayments leases
	Number settlers paid	Amount paid	Number farms leased	Number tenants paid	Amount paid	
		\$ cts.				\$ cts.
Vancouver.....	290	91,670.76				147,340.55
Edmonton.....	290	91,670.76				385,745.26
Saskatoon.....	634	165,418.73				351,275.69
Winnipeg.....	165	45,582.18				93,766.60
Toronto.....	116	25,296.31				52,307.06
Montreal.....	17	2,420.21				5,662.97
Saint John.....	86	16,112.50				33,880.22
	1,874	541,171.28				1,069,978.35

**SOLDIER SETTLEMENT AND VETERANS' LAND ACT**  
**DOMINION COLLECTION STATEMENT**

Soldier Settlers

Period April 1, 1944, to March 31, 1945

District	Due payments—Number of Settlers					Due payments—Amount			Percentages	
	With pay-ments due	Paid in full	Paid in part	Total paid	% paid	Current instal-ment due	Total due including all arrears	Amount paid	Current instal-ment paid	Total due paid
						\$ cts.	\$ cts.	\$ cts.		
Vancouver.....	652	514	106	620	95.1	68,996.72	90,714.04	70,778.95	102.5	78.0
Edmonton.....	1,734	1,060	473	1,533	88.4	226,363.00	525,195.21	285,002.05	125.9	54.3
Saskatoon.....	1,775	1,321	368	1,689	95.1	207,656.88	528,339.81	327,999.59	157.9	62.1
Winnipeg.....	476	361	80	441	92.6	64,639.93	98,174.55	74,092.75	114.6	75.5
Toronto.....	330	275	29	304	92.1	40,676.95	49,573.88	39,463.48	97.0	79.6
Montreal.....	43	42	1	43	100.0	5,079.55	5,124.11	5,055.71	99.5	98.7
Saint John.....	311	231	56	287	92.3	29,277.37	39,535.96	30,436.40	103.9	77.0
	5,321	3,804	1,113	4,917	92.4	642,690.40	1,336,657.56	832,828.93	129.6	62.0

District	Prepayments		Leases—Reverted farms			Total cash received due payments prepayments leases
	Number settlers paid	Amount paid	Number farms leased	Number tenants paid	Amount paid	
		\$ cts.				\$ cts.
Vancouver.....	431	99,790.86				170,569.81
Edmonton.....	728	231,145.34				516,147.39
Saskatoon.....	1,035	354,159.84				682,159.43
Winnipeg.....	323	90,533.78				164,626.53
Toronto.....	150	35,225.77				74,689.25
Montreal.....	26	5,122.12				10,177.83
Saint John.....	141	26,420.45				56,856.85
	2,834	842,398.16				1,675,227.09

SOLDIER SETTLEMENT AND VETERANS' LAND ACT  
DOMINION COLLECTION STATEMENT

Soldier Settlers

Period April 1, 1943, to March 31, 1944

District	Due payments—Number of Settlers					Due payments—Amount			Percentages	
	With pay-ments due	Paid in full	Paid in part	Total paid	% paid	Current instal-ment due	Total due including all arrears	Amount paid	Current instal-ment paid	Total due paid
						\$ cts.	\$ cts.	\$ cts.		
Vancouver.....	778	624	128	752	96.6	86,733.36	125,017.38	98,058.73	113.0	78.4
Edmonton.....	2,088	1,021	807	1,828	87.5	305,148.28	824,861.17	358,060.49	117.3	43.4
Saskatoon.....	2,079	1,106	848	1,954	94.0	260,523.90	905,479.75	416,361.51	154.4	46.0
Winnipeg.....	608	456	130	586	96.4	86,462.58	159,353.85	119,575.99	138.3	75.0
Toronto.....	394	305	54	359	91.1	54,657.17	70,416.90	49,880.90	91.3	70.8
Sherbrooke.....	52	51	1	52	100.0	5,806.61	6,101.77	6,060.99	104.4	99.3
Saint John.....	366	285	69	354	96.7	37,514.70	52,874.85	41,837.76	111.5	79.1
	6,365	3,848	2,037	5,885	92.5	845,846.60	2,144,105.67	1,089,836.37	128.8	50.8

District	Prepayments		Leases—Reverted farms			Total cash received due payments prepayments leases
	Number settlers paid	Amount paid	Number farms leased	Number tenants paid	Amount paid	
		\$ cts.				\$ cts.
Vancouver.....	433	89,899.99				187,958.72
Edmonton.....	612	139,785.55				497,846.04
Saskatoon.....	659	169,655.43				586,016.94
Winnipeg.....	345	69,471.31				189,047.30
Toronto.....	157	40,895.30				90,776.20
Sherbrooke.....	34	4,692.91				10,753.90
Saint John.....	185	28,182.43				70,020.19
	2,425	542,582.92				1,632,419.29

SOLDIER SETTLEMENT AND VETERANS' LAND ACT  
DOMINION COLLECTION STATEMENT

Soldier Settlers

Period April 1, 1942, to March 31, 1943

District	Due payments—Number of Settlers					Due payments—Amount			Percentages	
	With pay-ments due	Paid in full	Paid in part	Total paid	% paid	Current instal-ment due	Total due including all arrears	Amount paid	Current instal-ment paid	Total due paid
						\$ cts.	\$ cts.	\$ cts.		
Vancouver.....	882	630	218	848	96.1	99,405.22	157,538.32	109,955.17	110.6	69.8
Edmonton.....	1,276	379	605	984	77.1	186,296.24	621,345.34	158,927.98	85.3	25.6
Calgary.....	978	288	406	694	70.9	172,482.29	469,695.16	131,729.42	76.3	28.0
Saskatoon.....	2,146	465	1,106	1,571	73.2	311,215.56	1,191,593.20	217,290.61	69.8	18.2
Winnipeg.....	608	216	283	499	82.0	97,722.82	271,509.99	94,829.44	97.0	34.9
Toronto.....	487	387	79	466	95.7	63,957.62	91,947.20	69,019.83	107.9	75.1
Sherbrooke.....	66	55	11	66	100.0	7,538.06	12,610.83	9,614.71	127.5	76.2
Saint John.....	417	225	161	386	92.6	44,395.73	107,565.28	49,743.09	112.0	46.2
	6,860	2,645	2,869	5,514	80.4	983,013.54	2,923,805.32	841,110.25	85.6	28.8

District	Prepayments		Leases—Reverted farms			Total cash received due payments prepayments leases
	Number settlers paid	Amount paid	Number farms leased	Number tenants paid	Amount paid	
		\$ cts.				\$ cts.
Vancouver.....	416	56,164.47				166,119.64
Edmonton.....	125	31,224.10				190,152.08
Calgary.....	191	44,972.28				176,701.70
Saskatoon.....	197	39,011.31				256,301.92
Winnipeg.....	143	21,807.35				116,636.79
Toronto.....	187	35,824.47				104,844.30
Sherbrooke.....	36	9,055.90				18,670.61
Saint John.....	153	19,694.49				69,437.58
	1,448	257,754.37				1,098,864.62



## SOLDIER SETTLEMENTS OF CANADA

Balance Sheet as at 31st March, 1946

ASSETS		LIABILITIES	
<i>Current Loans</i>		<i>Gross Advances, for Loans</i>	
<i>Soldier Settlement</i>		Soldier Land Settlement.....	\$109,242,270.32
Civilian Settlers.....	\$4,959,987.38	3,000 British Family Scheme.....	13,038,433.13
Civilian Purchasers.....	3,936,921.95	New Brunswick 500 Br. Family scheme	951,814.00
Indian Soldier Settlement.....	162,119.97	Replacements.....	\$123,232,517.45
Less Deferred Bonus.....		Interest Charges.....	3,737,892.77
	\$9,059,029.30		42,572,949.13
	5,270.47		\$169,543,359.35
<i>3,000 British Family Scheme</i>			
British Families.....	\$1,280,826.09	Deduct—	
Canadian Civilians.....	695,209.83	<i>Repayments</i>	
	\$1,976,035.92	Soldier Land Settlement.....	\$74,033,878.91
Less Deferred Bonus.....	431.27	3,000 British Family Scheme.....	5,628,387.20
	\$1,975,604.65	N.B. 500 British Family Scheme.....	342,083.31
<i>N.B. 500 British Family Scheme</i>		Replacements.....	3,737,892.77
British Families.....	\$86,411.28		\$83,742,242.19
Canadian Civilians.....	44,702.60		
Less Deferred Bonus.....			\$85,801,117.16
	\$131,113.88		
	82.37		
	\$131,031.51	Deduct—	
<i>Security Held for Ready—at Book Debt</i>		<i>Legislative Reductions</i>	
Soldier Settlers.....	\$607,591.26	Soldier Land Settlement.....	\$49,190,012.53
Civilian Purchasers.....	186,578.00	3,000 British Family Scheme.....	8,254,261.29
British Families—Can. Land.....	223,603.42	N.B. 500 British Family Scheme.....	679,071.24
United Kingdom Government Loans.....	\$1,017,772.68		\$58,123,345.06
	71,763.54		\$27,677,772.10
	\$1,089,536.22	Deduct—	
		<i>Losses on Security already sold</i>	
		Soldier Land Settlement.....	\$26,160,546.38
		3,000 British Family Scheme.....	2,500,233.05
		N.B. 500 British Family Scheme.....	187,116.20
			\$28,847,895.63
		Less FCA Act—Amounts charged back to previous settlers and shown in Legislative Reductions—	3,150,945.87
			\$25,696,949.76
			\$1,980,822.34
		Add—	
		<i>Interest Exemption Act 1922—</i>	
		Not Charged to Settlers.....	10,269,108.87
		Total.....	\$12,249,931.21
	\$12,249,931.21		

**NOTE:—**  
Subject to corrections---Books not finally closed for fiscal year.

Certified Correct,  
A. W. WOOLSEY,  
*Chief Treasury Officer.*

# STATEMENT SHOWING THE DEBT POSITION OF SOLDIER SETTLERS IN RELATION TO 1941-42 FARM VALUES

This statement should be compared with statement on debt position of Soldier Settlers—Filed with Special Parliamentary Committee on Land Settlement, May 5, 1942. (Copy Appended.)

	Grade 1			Grade 2			Grade 3			Grade 4			Total all Grades		
	Num- ber	Debt	Value	% Equity	Num- ber	Debt	Value	% Equity	Num- ber	Debt	Value	% Equity	Num- ber	Debt	Value
Vancouver.....	303	\$ 234,845	\$ 756,717	68.9	136	\$ 182,749	\$ 258,970	29.4	103	\$ 156,944	\$ 185,820	14.4	24	\$ 32,319	\$ 26,650
Edmonton.....	827	704,962	2,249,000	68.6	472	794,577	1,142,499	30.4	145	295,151	340,917	13.4	83	215,425	175,465
Saskatoon.....	692	533,968	1,597,680	66.5	525	803,754	1,148,739	30.0	172	307,766	356,695	13.7	77	164,087	124,435
Winnipeg.....	183	138,653	412,905	66.4	167	244,907	347,209	29.4	47	76,865	88,231	12.9	9	17,857	14,241
Toronto.....	197	136,025	536,316	74.6	86	138,730	196,952	29.5	31	54,728	64,891	15.6	3	5,196	4,460
Montreal.....	25	25,095	67,000	62.5	6	7,284	10,500	30.6	.....	.....	.....	.....	.....	.....	.....
St. John.....	169	81,185	303,890	73.2	54	54,866	78,600	30.1	29	29,513	34,100	13.4	7	6,279	5,500
Totals.....	2,396	1,854,731	5,923,418	68.6	1,446	2,226,867	3,183,469	30.0	518	922,967	1,070,654	13.7	203	441,163	350,751

Notes:

Grade 1—40% or more equity.  
Grade 2—20% to 40% equity.

Grade 3—Less than 20% equity.  
Grade 4—No equity.

(Minutes of Proceedings No. 1, 1942 Parliamentary Committee as of December 31, 1941)

SOLDIER SETTLEMENT OF CANADA FIELD SUPERVISORS ANNUAL REPORTS, 1941-42—BOOK DEBT AND VALUE OF FARMS  
BY GRADES—SOLDIER SETTLERS

District	Grade 1			Grade 2			Grade 3			Grade 4			Totals all Grades		
	Num- ber	Debt \$	Value \$	% Equity	Num- ber	Debt \$	Value \$	% Equity	Num- ber	Debt \$	Value \$	% Equity	Num- ber	Debt \$	Value \$
Vancouver.....	427	374,184	1,222,330	69.4	79	122,684	181,650	32.4	126	192,662	235,300	18.1	333	599,552	572,520
Edmonton.....	680	576,053	1,886,264	69.4	108	182,376	271,824	33.0	189	370,843	445,393	16.7	409	894,062	861,069
Calgary.....	355	400,908	1,157,847	65.3	107	191,789	283,696	32.4	193	380,423	454,697	16.3	399	948,540	909,067
Saskatoon.....	717	669,638	2,021,925	66.8	151	274,376	401,670	31.7	343	671,236	811,095	17.2	1,057	2,377,184	2,117,750
Winnipeg.....	182	176,083	451,396	61.0	73	111,689	161,611	30.9	104	175,966	206,518	14.8	290	577,307	571,687
Toronto.....	327	305,523	942,306	67.5	35	52,101	77,405	32.7	61	114,877	139,059	17.3	119	236,585	231,711
Sherbrooke.....	51	43,007	131,300	67.2	4	6,717	9,900	32.1	13	19,515	23,500	16.9	4	6,870	5,900
Saint John.....	244	139,221	445,050	68.7	49	57,327	85,400	32.8	49	62,408	75,550	17.4	112	154,721	141,600
Totals.....	2,953	2,684,597	8,259,018	67.5	606	999,059	1,473,156	32.2	1,078	1,987,930	2,391,112	16.8	2,723	5,794,821	5,411,304

NOTE:

Grade 1—40% or more equity.  
Grade 2—20% to 40% equity.Grade 3—Less than 20% equity.  
Grade 4—No equity.



## APPENDIX "B"

*Letter from Sir Aylmer Firebrace,  
Chief of the National Fire Service, London, England.*

Home Office,  
Horseferry House, Thorney Street,  
LONDON S.W.1.

*Copy*

K.121/27/51 T2

15th April, 1946.

DEAR MR. PAYNE;—I enclose reports from the Fire Force Commanders of the Portsmouth, Southampton, Plymouth and Bristol Areas in whose commands the Canadian contingent were stationed.

There are some very nice things said in these reports about this Corps—that they were efficient, “gluttons” for work, ready to volunteer for anything that was going, cooperative, “never so happy as when engaged at fires”, well behaved, good competition men and so on. You will, of course, understand that these are very genuine and sincere observations.

I am able to corroborate these reports: The Canadians made an altogether good impression over here. Due to our gradually getting supremacy in the air, things were not so busy or so dangerous as the Canadians would have wished—but they would have shown up well under any conditions.

I much look forward to the possibility of meeting some of them again on my visit.

Yours sincerely,

(Signed) A. FIREBRACE.

C. H. PAYNE, Esq.

W. Doc  
Can  
Com  
✓  
CPI  
xc2  
45121

Canada Veterans Affairs Special  
Bill 1946

SESSION 1946  
HOUSE OF COMMONS

UNIVERSITY OF TORONTO  
CANCELLED  
RECEIVED

SPECIAL COMMITTEE

(ON)

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

FRIDAY, MAY 3, 1946

WITNESS:

Mr. J. L. Melville, Chairman, Canadian Pension Commission.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946







## MINUTES OF PROCEEDINGS

FRIDAY, May 3, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Baker, Benidickson, Bentley, Brooks, Cockeram, Cruickshank, Drope, Emmerson, Gauthier (*Portneuf*), Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Isnor, Lennard, Mackenzie, McKay, Moore, Mutch, Quelch, Robinson (*Bruce*), Ross (*Souris*), Sinclair (*Vancouver N.*), Skey, Tremblay, Tucker, Winkler, Winters.

*In attendance:* Mr. J. L. Melville, Chairman, Canadian Pension Commission.

Mr. O. F. Howe, on behalf of the Ottawa Branch of the Canadian Legion, extended an invitation to members of the Committee to attend the Victory Ball being held at the Chateau Laurier in Ottawa on Wednesday, May 8th.

Mr. Melville read a statement answering certain questions asked by Mr. Mutch on April 16th regarding personnel discharged as S4 and S5, and was questioned thereon.

It was agreed that when this subject is again under discussion the head of the Neuro-Psychiatric Division of the Canadian Pension Commission, and witnesses from the Medical Services of the Department of National Defence, be heard.

Mr. Melville made a statement on the proposed bill respecting civilian war pensions and allowances.

The Committee proceeded to consideration of the draft of the proposed bill clause by clause.

On motion of Mr. Green, clause 2 was amended by deleting paragraph (b) thereof and substituting therefor the following:—

“War” means the war waged by His Majesty and His Majesty’s Allies against Germany and Germany’s Allies which for the purposes of this Act shall be deemed to have commenced on the first day of September, one thousand nine hundred and thirty-nine, the date or dates, as the case may be, of termination of which will be such date or dates, as may be proclaimed by the Governor in Council.

Clause 2, as amended, and clauses 3 and 4 were adopted.

At 1.00 o'clock p.m., the Committee adjourned until Monday, May 6, at 11.00 o'clock a.m.

A. L. BURGESS,

*Clerk of the Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 3, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, before I call the committee to order, Mr. Howe of the Canadian Legion is here and wishes to say a word about the victory banquet which the Legion is putting on. I told him I was sure the committee would be quite willing to give him a minute or so to invite the members of the House to that banquet. I will now call upon Mr. Howe.

Mr. O. F. HOWE: Mr. Chairman and gentlemen, I shall be very brief. Somewhat belatedly, I am afraid, the committee of the Ottawa branch of the Canadian Legion came to a realization that we had many veterans in the House of Commons who might care to attend the victory dinner and ball which is being held next Wednesday night at the Chateau Laurier in commemoration of the first anniversary of VE-Day. This function will include a short commemoration service immediately following the dinner, and then there will be the ball in the ballroom of the Chateau. I should like to suggest to the honourable members that they would be very welcome at that function, and that the Legion would consider they had been honoured by the presence of the veteran members of the House of Commons—and of course, your wives if you have them with you; if not, we should be glad to see you in any case.

We would also arrange for table reservations for you. I do not know just what is the best way of arranging for that, whether we should get in touch with the individual members or not. Time is a little short for that, and it is not always easy to find you in your rooms at the hours when we might reach you. I wonder if the members who would care to receive invitations would be kind enough to leave their names with someone, such as the secretary or some other official?

The CHAIRMAN: That would be all right. They could leave their names with the clerk of the committee.

Mr. HOWE: That would be fine. I assure you that you will be very welcome. We think it will be a very fine function, and I can assure you that your interest in being present will be greatly appreciated. Thank you, Mr. Chairman, and gentlemen for you courtesy.

The CHAIRMAN: Now, gentlemen, we will call the meeting to order. Brigadier Melville, chairman of the Canadian Pension Commission, mentioned to me this morning that during our consideration of the Pension Act some questions had been asked in regard to the S5 personnel; he suggested that he had his answer ready and that to complete the record he was prepared to give it this morning. It occurred to me that perhaps it would be useful for him to give it this morning before we proceed with the civilian pension bill. Then it would appear in the record for study by the members. If that is satisfactory to the committee, we will have Brigadier Melville give that statement in answer to those questions, after which I think it would be proper to defer the questioning with regard to it until later on.



Brigadier J. L. MELVILLE, Chairman, Canadian Pension Commission, called.

The WITNESS: Mr. Chairman and gentlemen, I have been very pleased to review the situation with regard to personnel discharge as S4 and S5, and again I have drawn a number of typical cases. I will give you an analysis of these cases for the information of the committee.

For the purpose of expediency, efficiency and accuracy the medical advisers to the Canadian Pension Commission are divided into groups or subdivisions, each group specializing in certain types of cases. For instance, one group deals with all the lung, heart and kidney cases; another with general diseases; a third with nervous and mental diseases; a fourth with gun shot wounds and a fifth with eye, ear, nose and throat cases. By adopting this system the medical advisers in each group become specially conversant with that portion of the Pension Act which deals with their particular cases, and they also become more expert in assessing disabilities and dealing with the many problems which occur.

The neuro-psychiatric division is responsible for all diseases and injuries of the nervous system. This list includes all mental illnesses, organic and functional nervous diseases, personality disorders and mental defects. Applicants for pension coming under this group present many very difficult problems, and if they are to receive that kindly care and justice to which they are entitled, a very broad sympathy and understanding on the part of the medical adviser concerned is most essential. Many by virtue of the nature of their disability are unable to present their own claim, and consequently a greater responsibility rests upon those dealing with the claim. Others are in a nervous state which often precludes the possibility of presenting their claim in a calm, dispassionate, unbiased manner which they might have done prior to the onset of their illness and would do again following their recovery.

With the purely functional cases the granting of entitlement to pension is always a difficult problem, and in those cases where entitlement is granted the assessment of their disability is equally a problem requiring the exercise of the utmost good judgment. It is agreed by most neuro-psychiatrists, and especially those who have had experience in dealing with pension and compensation problems, that a monetary award is frequently not only not a help, but often actually a detriment to their recovery. There are other means, however, by which they may be given great help, such as special treatment centres, which have been set up by the department, occupational therapy and the many forms of rehabilitation which are now available. The providing of free departmental treatment for a period of one year following discharge has been of untold value to all these neuropsychiatric cases. In so far as a particular policy in dealing with these cases is concerned, it might be stated that if the medical board on discharge, including reports by neuropsychiatric specialists, indicates that the men had certain nervous manifestations prior to enlistment but had returned to his pre-enlistment mental and emotional level, the claim is presented by the medical adviser to the commission for ruling, and the decision is usually pre-enlistment, not aggravated during service. If, however, on discharge he has not returned to his pre-enlistment level and further treatment is indicated, he is referred to the regular treatment hospital or the special treatment centre or to the rehabilitation branch as the case may be, in an endeavour to obtain improvement or a cure. If all measures to this end fail, the question of a monetary award is then considered.

The procedure in respect to definite mental cases is very similar. If following discharge he has returned to his normal level, the claim is ruled pre-enlistment, not aggravated during service. If after discharge he continues to suffer from his mental illness in spite of treatment during the period of one year, the claim is then submitted to the commission and frequently ruled pre-enlistment, aggravated during service in a theatre of actual war; total

disability pensionable; award effective from date of discharge. In certain of these cases where the men on enlistment denies any nervous or mental illness, and it is later learned that he was previously treated in a mental hospital, an aggravation only may be granted.

In cases of personality disorder, such as psychopathic personality, and in cases of mental defect, such as mental deficiency, moron, etc., they are usually ruled pre-enlistment, not aggravated, as they are disorders which have existed since birth or early life. It might be mentioned, however, that some of these cases may during service incur a superimposed neurosis which if not cured after all treatment has been tried, and the disability still remains a handicap, may be pensionable just as in the ordinary case of neurosis.

The common mental diseases, such as schizophrenia (dementia praecox) and manic depressive psychosis, are considered by psychiatrists to be constitutional in origin; and functional nervous conditions are also considered to have a constitutional background in the majority of cases—80 per cent has been mentioned in recent reports.

It cannot be too firmly emphasized that it is always the prime object and the constant endeavour of the commissioners and the medical advisers not to hand out pension loosely and indiscriminately and to the detriment of the applicant, but to do everything within their power to restore these patients to health and to their rightful place in the home and community, and only when these efforts have been in vain or only partially successful, is the question of monetary award considered. It might be added that in endeavouring to carry out this program one of the most difficult problems the Canadian Pension Commission has to contend with is the almost constant importuning by friends and others, who have little or no knowledge of the nature of the illness or its remedy, for pension consideration, and by their unwise actions keeping the applicant constantly stirred up to be pension-minded instead of helping him become self-supporting.

The following are types of cases referred to above and picked at random and which have recently been ruled upon by the Commission:—

### SCHIZOPHRENIA

- (A) Enlisted: 23-4-41.  
Discharged: 7-11-44.  
Service: Canada and overseas.  
On discharge Pulhem Grading: M2 S5.

I might explain that M2 means mental, 2; and S5 is stability, 5. Continuing:—

During service admitted to hospital 11-7-43 with diagnosis schizophrenia. History obtained of nervous manifestations prior to enlistment and rather poor family and personal history. Received considerable hospitalization during service and continuous hospitalization post-discharge.

On 24-1-46 the commission ruled—Schizophrenia—pre-enlistment, aggravated during service in a theatre of actual war. Pension for entire disability. Award effective from date of discharge.

- (B) Enlisted: 18-7-42.  
Discharged: 31-5-44.  
Service: Canada and overseas.  
On discharge Pulhem Grading: M1 S5.

History indicates that prior to enlistment he was a school teacher and displayed nervous symptoms and his mother had a nervous breakdown. During service he showed nervous symptoms and was admitted

to hospital 25-3-44. Since discharge there was considerable history of mental disturbance and he was admitted to mental hospital and was still under treatment when claim was considered by the commission.

On 11-3-46 the commission ruled: Schizophrenia—pre-enlistment in origin and aggravated in a theatre of actual war. Pension for entire disability. Award effective 18 months prior to date of decision.

There is a lapse between the date of discharge and the date of that decision, possibly because the man was discharged direct to the treatment strength of the department and then later on the commission dealt with the claim and his entitlement.

*By Mr. Harkness:*

Q. When you say "pensionable for entire disability", what percentage of pension would a man such as that get?—A. That would all depend on the condition. He might be totally disabled for a period, but is subject to re-examination and re-assessment. I could not answer that definitely without knowing the particular case.

Mr. WINTERS: Mr. Chairman, I wonder if we could have a little clearer layman's description of that mental disorder?

The CHAIRMAN: Schizophrenia is dementia praecox.

Mr. MUTCH: No. It may lead to it.

The CHAIRMAN: Well, that is what I always understood it to be.

The WITNESS: It is dementia praecox, yes. Is there a doctor in the house?

The CHAIRMAN: It is split personality.—A. Yes.

Mr. WINTERS: I thought that was what it was, but I thought it should be in the record for the people who read this.

Mr. SINCLAIR: And for the members here, too.

Mr. MUTCH: After you get the definition, please do not go out and think about it, and think you have it.

Mr. SINCLAIR: You would be the last person in the world to do that.

*By Mr. Harkness:*

Q. How much disability does that constitute? In other words, is a man able to carry on in any sort of civilian occupation with this particular disability or is he not?—A. That is the very factor which determines the degree of assessment. If we consider he is not, and he is totally disabled, he would be pensioned accordingly. But if he is able to pursue some form of occupation and we do not consider he is totally disabled, then we would govern ourselves accordingly in the award.

*By Mr. Brooks:*

Q. A school teacher would not be able to go back to his profession in that particular case?—A. May be not.

Mr. MUTCH: Some get elected to parliament.

Mr. BROOKS: Yes, much to the amazement of some of their friends.

The CHAIRMAN: Will you continue, Brigadier Melville?

The WITNESS: Yes. I now come to case C.

(C) Enlisted: 25-11-42.

Discharged: 17-8-45.

Service: Canada and overseas.

On discharge Pulhems Grading: M1 S5.



Personnel Selection Record on enlistment stated he was not up to average ability, and the Neuropsychiatrist on 11-12-43—that is just one year after enlistment—stated the longest job he ever had was two years, and he had always been seclusive, recessive type and of dull normal intelligence. Admitted to hospital 13-3-45 with diagnosis Schizophrenia, and documents gave long history of inadequacy in civil life. Admitted to mental hospital 11-4-45. On 5-12-45 the department neuropsychiatrist considered that he was never a normal intelligent person and symptoms were due to mental deterioration or defect and were always present. He was considered to have returned to his normal.

On 19-3-46 the commission ruled: Schizophrenia and mental retardation—pre-enlistment, not aggravated during service.

(D) Enlisted: 16-12-41.

Discharged: 7-5-45.

Service: Canada and overseas.

On discharge Pulhems Grading: M1 S5.

During service admitted to hospital 25-10-44 with acute psychosis which was later diagnosed as schizophrenia. History refers to life-long recessiveness since childhood with fear of the dark and heights and was always a day-dreamer and highstrung and worried over trifles. He was discharged from hospital on 28-6-45, recovered, and he was considered fit to return to civil life.

On 28-9-45 the commission ruled: Schizophrenia—pre-enlistment condition, not aggravated during service.

This claim was again considered on 7-2-46, and previous decision confirmed.

(E) Enlisted: 15-7-42.

Discharged: 24-4-45.

Service: Canada only.

On discharge Pulhems Grading: M1 S5.

During service admitted to hospital on 1-3-45 with mental symptoms and diagnosis was made of schizophrenia. Medical reports indicated that family and personal history were fair. He received hospitalization post-discharge and at time of examination at the district office on 21-6-45—that is two months after his discharge he was still considered to be *greatly* disabled.

On 1-3-46 the commission ruled: Schizophrenia—and remember gentlemen service was rendered wholly in Canada—pre-enlistment, aggravated during service, Canada, but not pensionable under section 11 (2) as the evidence available is insufficient to establish that the aggravation arose out of or was directly connected with military service.

I would make one observation here. You will note I said he was greatly disabled. In consequence he will be eligible for consideration under the provisions of section 11 (3) of the Act because the Commission had ruled the condition as being pre-enlistment, aggravated during service in Canada, and seriously disabled. The only other governing factor would be, was he in necessitous circumstances? If so he is eligible for consideration under the provisions of section 11 (3).

*By Mr. Gillis:*

Q. What was that man's occupation previous to going in?—A. I am sorry, I have not got that. I should be very glad to get it for you.

Q. The thing that strikes me is that that man was three years in the service. If his condition was pre-enlistment, the examining physician certainly did not know his job. What I cannot get through my head is this. That man went into

the service. He went is as A-1. He served three years. He came out of the service in that condition. How can they make a decision that that condition was pre-enlistment in origin after his being three years in the service and coming out in March, 1945? There was either something wrong with the person who took him in the service or that condition was incurred on service and should be considered attributable to service 100 per cent?—A. In answer, I would say this. When he went ill on service, if I may put it that way, and was receiving treatment, he gave the history and his case was very closely studied before the decision was rendered.

Q. If he was a mental case, his word would not be much good?—A. It all depends on the degree of mentality.

Q. In effect, he diagnoses himself?—A. Not necessarily at all, I would not say that.

The CHAIRMAN: You will note that this was a case of service in Canada only. Had he been overseas he would have got full entitlement. If he were treated before he went in the army, he would probably have got full entitlement, would he not?

The WITNESS: Possibly.

Mr. GILLIS: I do not see why there should be distinction whatsoever. The disability is the same. It is incurred in service. He went in A-1. He gave three years service. Then he comes out and because he did not get out of Canada he is dealt out. I think that the question of your psychopathic cases has got to have thorough analysis. I do not think they are getting a square deal. Some of these boys are confined in mental institutions. There is no pay and allowance. I think myself that the guilty party in this particular type of case is the person who passes him as A.1 and takes him into the service. I say that the decision must have been wrong.

Mr. CRUICKSHANK: You say that he does not get pay and allowances. Does the wife not get an allowance?

Mr. GILLIS: No, certainly not. It is not a service disability. He is in a mental institution.

Mr. CRUICKSHANK: If they have been overseas they get an allowance.

Mr. GILLIS: Oh yes, overseas.

The WITNESS: May I interject here? This condition was ruled as having been pre-enlistment, aggravated. I was very careful to point out in *this case* that he was entitled to the privileges of Section 11 (3) of the Act because his service was wholly in Canada. If he was in a hospital he must be seriously disabled. His dependents most likely would be in necessitous circumstances because he is unable to provide. Therefore he meets the provisions of Section 11 (3), and an award would be indicated.

*By Mr. Green:*

Q. Would he be eligible if the insurance principle were restored to the Act?—A. I would say yes.

Mr. MUTCH: There is just one thing. I do not think it is quite fair to the medical profession, or to the examination of people who were going into the service, to state categorically as you did a moment ago, Mr. Gillis—I think unintentionally—that there is something the matter with a medical examination which fails to detect on entrance into the army that a man has certain inherent mental qualities. It is a mistake to assume because a man is S-5 that a man is a fit subject for an institution for the mentally disabled. There are all kinds of people carrying on completely successfully in all walks of civil life who for military purposes would undoubtedly become, and some of them quite quickly, S-5 because the stresses and strains of action, at any rate, are such that people who do excellently well in civil life simply break down. They cannot face up to it.

Now that the war is over I think it is almost time that society generally realizes that every man over a certain height and a certain age and having certain physical characteristics is not suitable to be a combat soldier. Obviously we all know from experience they are not. I had a little contact with these neuropsychiatrists and psychiatrists in the army who accomplished a very great deal.

Mr. GREEN: Did they catch up with you?

Mr. MUTCH: No, I did not claim any pension for it. Having got along with my friend in this committee since 1936 and maintained my sanity I did not apply for any consideration. I still have my patience.

The CHAIRMAN: Order, gentlemen.

Mr. MUTCH: I desired to say that because one of the reasons for asking for this report was that there has been a good deal of talk about the S-5, and the tendency on the part of the friends and the employers of the S-5 soldier to regard him as being a little less than normal mentally. In the cases which the Brigadier discussed this morning most of them suffered from a definite disablement, as he has said, but I venture to say quite openly, and I think from your experience you will agree with me, that there are all kinds of troops who were discharged as S-5 for military reasons, and military reasons only, who are to be regarded by employers, families and friends as being as normal as they ever were before.

For that reason I wanted to bring out this information in order to make sure for my own satisfaction that the board was regarding these people as normal people in their ordinary walks of life, and to guard against the kind of suggestion—which I am sure was not intentional—that because a man had a somewhat hurried examination at the time of enlistment and the doctor, an ordinary medical practitioner, was not able to look into the man's mind and his family background and to anticipate what this man would do under the stresses and strains of action, that he could not be normal now. It is almost libellous.

Mr. GILLIS: This chap did not see action. He had service in Canada only.

Mr. MUTCH: Then I shall say "service". It comes awfully near being libellous to a discharged S-5 veteran to speak of him as though he was a potential candidate for the luny bin. As to this committee, at any rate, as we are all veterans I think that anything that can be said or done to kill the impression, which is still prevalent in some cases, that these chaps are in trouble, should be done. For that reason, and for that reason alone I wanted to brave the jeers of my friends across the room here and say these few words.

Mr. SINCLAIR: Few words?

The CHAIRMAN: Order, gentlemen. Brigadier Melville has not finished.

Mr. GILLIS: I feel pretty strongly on this particular point. Twenty-five per cent of all discharges from the service were of this type. I have met a lot of them. I might say that I consider these boys who are in this condition that we are discussing now are much worse off than a man with both legs off. I have had many of them come into my office. They are not in a state of mind where they can present their case. They do not know where to go about it. Nobody wants to take them in. I have actually met them roaming around without a home to go to after having served some time in a mental institution and being released as cured. If they were cured I would not have wanted to have seen them again. Mr. Mutch a moment ago stated that the country should not be held responsible.

Mr. MUTCH: I said no such nonsense. Please do not put words in my mouth.

Mr. GILLIS: You had better not get rough.

Mr. MUTCH: Well, I hope I am not.



Mr. GILLIS: A moment ago Mr. Mutch stated that we should not assume responsibility for a man who had a disability that went back to heredity.

Mr. MUTCH: Pardon me interrupting again.

Mr. GILLIS: I did not interrupt you.

Mr. MUTCH: I did not say that. Do you mind admitting that?

Mr. GILLIS: Just put it on the record that you did not say it.

Mr. MUTCH: We will leave it to the record.

Mr. GILLIS: We had a very strong discussion in the Pension Committee in 1940 and 1941 on this very question of the Commission ruling out a certain disability because it was of congenital origin. The clause in the Act at that time which gave them that latitude was removed. I was of the opinion that medical cases coming out of this war would be examined on the basis of their condition and not because their grandfather had a certain condition away back sixty or seventy years ago. I cannot understand how under our present Pension Act the Commission can make a ruling that the disability was of congenital origin because when they say it is pre-enlistment I construe that as being of congenital origin. The man had it when he went in. He had a split personality. His grandfather was foolish. His grandmother had a nervous breakdown. That is administering the very clause we took out of the Act when this committee examined it in 1940 and 1941. I think that point has to be dealt with as to whether the Commission has the latitude of making a decision on that basis. I think as to a man who is taken into the service, examined and declared to be A.1, who performs three years' service in the army and then has a breakdown and comes out of the service, the Commission should rule that the entire disability incurred on service was attributable to service and pension him according to the schedules of the Act. That is my opinion. I cannot reconcile some the decisions that are made such as disability incurred on service, not attributable to service. If it was incurred on service it must be attributable to service. I cannot understand why it is not.

The CHAIRMAN: The ruling is pre-enlistment origin, not aggravated.

Mr. GILLIS: I have seen decisions, "incurred on service not attributable to service."

Mr. HARRIS: Are we debating this point, or have you got a question to ask?

Mr. GILLIS: I am debating this point. I am interested in this point.

Mr. BROOKS: Our understanding was that we would ask questions afterwards.

The CHAIRMAN: I do not know what to say, Mr. Gillis. I permitted Mr. Mutch —

Mr. GILLIS: Do not say anything until I sit down.

The CHAIRMAN: I must take notice of the point raised by Mr. Harris. The reason I did not interrupt Mr. Mutch was because he raised the point originally, and he was more or less giving the Committee the reason why he had asked for this submission. That is why I did not interrupt him. I think it was the desire of the committee to have Brigadier Melville's submission, and then we would study it, debate it and ask questions on it afterwards.

Mr. GILLIS: Why did you not say that in the first place? I would not be talking now.

The CHAIRMAN: I guess you may have come in late.

Mr. GILLIS: When I came in the room they were asking questions.

The CHAIRMAN: That was just on some points to clear up things that would not be clear to a layman.

Mr. GILLIS: You were debating this very question when I came in the room.

Mr. HARRIS: No, we were not.

The CHAIRMAN: It was not the intention to do so, anyway. I do not blame you for thinking that, but it was not the intention that we should get into prolonged questioning or argument. That was the thought of the committee at the start.

Mr. QUELCH: May I ask a question on this very point? Perhaps Brigadier Melville could deal with it in his subsequent remarks. I was on the sub-committee that dealt with the question referred to just now. We recommended that the clause regarding congenital origin be struck out. The committee and the sub-committee felt very strongly on that matter at that time. The question I should like to ask is this. Did the striking out of that clause have any effect at all on the future decisions of the Commission? If not, apparently we absolutely failed in what we were trying to do.

The CHAIRMAN: That was the thought that occurred to me, too. I hope that Brigadier Melville will deal with that.

Mr. SINCLAIR: May I ask one question in connection with that? Mr. Gillis is talking about the statement that it was pre-enlistment. I am not as critical as Mr. Gillis of the fact that the doctor on enlistment did not find that out, but why did not the doctors during the three years of his service in Canada? They had him under constant observation, and why did they not decide then that he had this pre-enlistment mental deficiency and discharge him then instead of carrying him on for three years as they did?

The WITNESS: You will appreciate, I am sure, that I cannot answer for what the services did or did not do. We have our problem when the man is discharged, and the proceedings on his discharge board as referred to the Commission.

*By Mr. Sinclair:*

Q. That was the point I hoped you would make some observation on, that the doctors did not find anything wrong with him during the three years of service which would lead them to believe he was mental when he enlisted, and therefore his illness must have occurred during service because of service? —A. It was aggravated during his service all right, but the record is very definite and gives this pre-enlistment history based on what the ex-member of the forces said.

Q. At enlistment or after discharge when he was being questioned by your board?—A. No, he has never been questioned by the Canadian Pensions Commission. The decision of the Canadian Pensions Commission is based on the proceedings of the medical board on discharge, and in this case on a close study of all documentation completed during his service. That is all available to us.

Mr. QUELCH: The Brigadier might refer to that question I asked. I think we would like to know whether or not our action in the past had any effect on the decisions of the Commission.

The CHAIRMAN: There was a decision where a man suffered from dementia præcox. The doctors seemed to feel that dementia præcox was a matter that a man either got or did not get and service did not affect it one way or the other. Therefore they always ruled it was pre-enlistment in origin and not aggravated by service. In many dementia præcox cases they denied the applications because they were congenital in origin, the man was foredoomed to this. My recollection is the same as the other members, that we took that out of the Act with the idea that the man should have a chance. As I understand it when there is aggravation you do grant full entitlement unless a man has actually been found by medical authorities to have been suffering from this before he enlisted in which event you give the amount of the aggravation. Therefore, to that extent you must have modified your practice.

Mr. QUELCH: Perhaps I might mention the statement that was made by Dr. Cathcart which I think was responsible for stirring up the committee at that time. I am not using the correct medical terms, but his statement was to the effect that if a mental disability showed up after the war in his opinion that could not in any way be considered attributable to war service. He said there was no such thing as shell shock occurring after the war, showing up after the war.

The WITNESS: Mr. Chairman, may I make this statement very definitely? There is no group that receives more sympathetic and careful study than those who fall within the category of the ones we are discussing at the moment, and the Commission does not use the term "congenital". In the decisions which I have quoted you will have observed that the Commission has had one policy for the entire group, and if you will allow me to go on and deal with mental diseases in the other groups you will find that the same policy is carried out by the Commission. The medical advisers have done a great deal of good. If Mr. Gillis could come some time I would be delighted to take him to the neuro-psychiatric division. My correspondence with Mr. Gillis has always been very enjoyable. He has referred a number of cases and as he knows I have been only too glad to review them personally and advise him. The point I make is this, that in so many of these cases by this sympathetic approach—and I speak from what I know—in dealing with the man, encouraging him to seek the help of the various agencies of the department, we have taken that individual who had a discharge label, shall I say, removed that from him, restored his self confidence, got him into industry and re-established. He is removed from the any further worry. I think that is great reconstruction work on the part of neuro-psychiatric division. I could give many cases that correspond to that pattern and have dealt with the schizophrenic. I have another group, functional nervous disease.

(F) Enlisted: 19-6-40.

Discharged: 2-10-45.

Service: Canada and overseas.

On discharge Pulhems Grading: M1 S5.

During service he was a prisoner of war for a considerable period of time and developed gastro-intestinal symptoms, and when admitted to Ste. Anne's Hospital on 28-8-45 he was still complaining of gastro-intestinal symptoms and nervousness, and diagnosis was made of reactive anxiety, and the Neuropsychiatrist was of the opinion that his physical and mental condition had been aggravated during service, and on 23-1-46 he was still thin and under-nourished and unchanged physically or mentally.

On 23-3-46 the Commission ruled: Anxiety State—incurred during service in a theatre of actual war. Award effective from date of discharge.

(G) Enlisted: 10-7-40.

Discharged: 13-4-45.

Service: Canada and overseas.

On discharge Pulhems Grading: M1 S4.

This man was taken a prisoner at Dieppe and held by the enemy for two years and five months, and there is detailed history of experiences in prisoner of war camp, and he endured many hardships and saw several of his friends killed and was subject to being chained. Following discharge he received treatment at Scarboro Hall (that is a special centre in Toronto) for five months but still complained of gastro-intestinal symptoms and loss of weight and was listless and worried.



On 21-2-46 the Commission ruled: Psychoneurosis, anxiety state with effort syndrome—pre-enlistment, aggravated during service in a theatre of actual war. Entire disability pensionable. Award effective from date of discharge.

- (H) Enlisted: 12-7-40.  
Discharged: 23-8-45.  
Service: Canada and overseas.  
On discharge Pulhems Grading: M1 S5.

During service he was admitted to hospital on 1-7-44 and diagnosed psychopathic personality, inadequate type. There was a history of inadequacy and nervousness and aggressiveness prior to enlistment. He was later diagnosed psychoneurosis, and the Neuropsychiatrist considered that the condition was inherent in the man's personality make-up, and he was considered to have returned to his normal emotional level.

On 27-2-46 the Commission ruled: Psychoneurosis—pre-enlistment, not aggravated during service.

The CHAIRMAN: That is service overseas too?

The WITNESS: He had service overseas. That, of course, was the official decision of the commission based on the documentary record, and the man is notified of his right to go ahead if he disagrees. Now we come to the third group, disorders of personality, mental defect, etc.

- (I) Enlisted: 21-5-40.  
Discharged: 31-12-45.  
Service: Canada and overseas.  
On discharge Pulhems Grading: M1 S4.

During service he was examined by Neuro-psychiatrist on 10-3-45 while in prison. He had been sentenced to three years penal servitude and was stated to be a product of a broken home and was reared in an orphanage and moved around from place to place, and occupational history was sporadic and he was restless and quick-tempered and impulsive and was once arrested for vagrancy. There is a history of instability in the family and he was of low average mental ability. Diagnosis was made of psychopathic personality.

On 23-3-46 the Commission was unable to find any worsening of his condition during service, and ruled: Psychopathic personality, inadequate—pre-enlistment, not aggravated during service.

- (J) Enlisted: 12-6-40.  
Discharged: 20-9-45.  
Service: Canada and overseas.  
On discharge Pulhems Grading: M1 S4.

Medical Board on discharge referred to marked anxiety and instability. Admitted to hospital on 15-10-45, and on discharge, 25-10-45, there was stated to be no appreciable disability apart from mild temperamental instability. Report states that he had always been an unstable individual.

On 15-1-46 the Commission ruled: Temperamental Instability—pre-enlistment, not aggravated during service.

- (K) Enlisted: 16-6-41.  
Discharged: 27-8-43.  
Service: Canada only.  
On discharge Pulhems Grading: M4 S5.

During service neuropsychiatric report 10-6-43 refers to mental deficiency, illiteracy, instability and delinquency. He gave a history that he had suffered from convulsions up to eight years previous and in childhood there was evidence of nervous manifestations, and at school reached Grade 2 at age 12 and made little progress and was subject to truancy, and was a social and seclusive and twice arrested. During service he was stated to be a chronic complainer and of limited intelligence and poor personality and poor attitude.

On 5-2-46 the Commission considered that his condition was constitutional and inherent in his make-up and no worse at time of discharge than prior to enlistment, and ruled: Mental Deficiency—pre-enlistment, not aggravated during service.

Mr. HARRIS: Did I get the information right, that he was in hospital for ten days only?

The WITNESS: That is quite right.

These are actual cases. That review has been made in view of the request of Mr. Mutch at the meeting I think on the 16th of April, when he said he wished to have a number of typical cases and at the same time some outline of the policy of the commission. I trust that is sufficient for his purpose.

The CHAIRMAN: I think that is sufficient.

Mr. MUTCH: I would like to express my thanks, Mr. Chairman.

*By Mr. Brooks:*

Q. Might I ask the witness if he would consider that had the Pulhems system been working in the early part of the war there would have been so many cases of mental instability coming before his board now, or was it because they had a different system of medical examination in the early part of the war?

Mr. MUTCH: Mr. Chairman, that is the sixty-four dollar question.

The WITNESS: I think, Colonel Brooks, I must state that is a question I could not answer.

Mr. BROOKS: You could give an opinion on it.

The CHAIRMAN: What do you think yourself?

Mr. BROOKS: I think that if the Pulhems system had been adopted at the beginning of the war there would not have been so many cases.

The CHAIRMAN: That stresses my own point of view directed to the particular thing.

Mr. MUTCH: Is not that just another way of saying, Mr. Brooks, that we did not then have a psychiatric branch of the service?

Mr. BROOKS: It was left to the general practitioner then.

Mr. MUTCH: And it goes to prove that the psychiatrist did perform a useful service after he came in.

The CHAIRMAN: Just before we leave this, is there any member of the committee who wishes to clear up any point? Is there anything members would like to clear up right now? I think this is sufficiently important that we should count on having Brigadier Melville here again with certain of his medical advisers so that this matter can be gone into fully. I think it is of great interest.

Mr. BROOKS: There is one point in connection with that which I think arises in everybody's mind, and that is, why, or how, these men first got into the army, and then why they were kept there for three years. I think we ought to have someone here from the Defence Department to explain that. I have my own opinion. I know that I have interviewed a great many of these men, and everyone who had camps of any kind found that these men were in, and they

were kept in. Of course, when you say that they had service, some of them were used on such jobs as picking up papers, others worked around the cook house, and all that sort of thing. There seemed to be a policy of keeping these men in the army on account of the shortage of manpower; and that was probably one of the great reasons, at least one of the reasons why they kept this type of men in the army much longer than they should have been kept there; that there was a use found for them. Their condition was not such that they could go out and fight, or do anything of that kind, but they could pick up the paper around the camp. I remember having visited some of the base training units overseas and I was amazed at the number of men there were in the base units overseas who had a very low mentality. I certainly was very much surprised how many of them got in the army.

Mr. Mutch: It was possible at one stage of the war to send over as reinforcements for base duty in England men with an S4 in their report for limited duty. It certainly wasn't a matter of definite policy to retain men with a very low score. I would like while I am on my feet to address one question to Brigadier Melville. Has he any idea as to how many of the 15,603 cases that were taken on for service in Canada would be likely to become pensionable with the restoration of the insurance principle; how many of them are likely from a psychiatric standpoint to be rated on discharge as S-4 or S-5?

The WITNESS: I am definitely not able to answer that question now. Whether I can from the records available, I doubt. If I can I will be delighted to submit it to the committee.

Mr. Mutch: That I think would take care of the type of case concerning Mr. Quelch and certain others.

The CHAIRMAN: Is it the wish of the committee that when this question comes up again we should ask the Department of National Defence to be prepared to state what their policy was in this regard; is that the wish of the committee?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Who else would the committee like to hear when this particular point comes before the committee again? As there is quite a bit of interest in it.

Mr. Harkness: I think we should hear from the chief psychiatrist of the department.

The CHAIRMAN: Who is he?

The WITNESS: May I suggest, gentlemen, if you are asking for anybody, that I will be very pleased to have the head of the Neuro-Psychiatric Division of the Canadian Pension Commission—he is the one who deals with the cases and he has a number of medical officers working with him—his name is Doctor Eyres.

The CHAIRMAN: Is there anyone else whom the committee would like to have called when we are again dealing with this particular question?

Mr. Harkness: In that connection I would just like to observe that a couple of medical men whom I know in Calgary were of the opinion that the pension regulations as they stand at the present time are not as competent to deal with these mental cases as they are to deal with straight medical cases, and suggested that these gentlemen of whom Brigadier Melville has spoken—the chief neuro-psychiatrist of the Department of Veterans Affairs and some others—should be called before this committee so that we may have the benefit of their ideas as to what changes might be made in the Pensions Act to make it more just and equitable for cases of this type. Under the regulations as they stand to-day



there are cases where men are getting pensions who probably are not entitled to them, and where men who should be getting pensions do not get them.

The CHAIRMAN: We will arrange to have the men here.

Mr. BROOKS: I would like to ask another question. I notice that you say, service in Canada and service overseas, and then service in an actual theatre of war. Do you make any distinction between a man who served in Canada and who did get overseas, and as I pointed out a moment ago who simply served around one of the base units in England, and the man who was actually accepted to go to France, or Italy or some other place—any actual theatre of war. I think there should be a distinction made between these men, because this man who goes to England for special duty at a base camp might not be considered as having been on duty overseas, while if he had been accepted for war service in an actual theatre of war is in a quite different position from the man of the type who might be fit for duty in England but could never be considered as fit to go and fight. I think perhaps these are cases of the type about which Mr. Gillis was speaking, of men considered good enough to go and fight. I do not think that such men should be treated in the same way as the men who served in Canada, or the men who served in a military camp in England.

The CHAIRMAN: I suppose you take that into consideration don't you, Brigadier Melville?

The WITNESS: We take it into consideration, but we are governed by the provisions of the Act, the definition of "service in an actual theatre of war," which is section 2—(o). I do not think I need quote it.

The CHAIRMAN: Particular reference is made to "service outside of Canada" and sometimes it appears to have been used with another meaning; is it used with another meaning there?

The WITNESS: Service anywhere outside of Canada.

Mr. BROOKS: There is no distinction then between service in Canada and overseas, and service in Canada and an actual theatre of war?

The WITNESS: You mean, with respect to entitlement?

Mr. BROOKS: As far as entitlement is concerned.

The WITNESS: No.

Mr. GREEN: Would the Brigadier explain that? As I understand it there are two classifications in effect; first, those who served outside of Canada, even though that service was only for one day in the States; and those who served in Canada, is that right?

The WITNESS: That is right.

The CHAIRMAN: Now, if there are no further questions this will be available for study by the committee and then at the time decided on we will have these witnesses to testify to the committee here to go into the matter further.

Mr. BROOKS: Can we have these specialists make any recommendations to us on these particular points? For instance, there is a point such as the one Mr. Green brings up where a man serves in Canada and gets out of Canada for one day; he is in a far better position than a man who serves in Canada only and does not get out of the country even for a day, although he might conceivably be suffering from a far greater disability. I know of many cases brought to my personal attention in that regard. I think we ought to have as many recommendations as possible from our board in that connection.

The CHAIRMAN: Well, they will of course read what has been said in the committee, and we will ask them to make as useful and as helpful a submission as they can.

Now, gentlemen, pursuant to our decision of yesterday we decided we would take up the draft of a proposed bill respecting civilian war pensions and allowances and deal with as many sections and clauses of that bill as might be found to be not controversial. Did you have any statement to make in respect to that, Brigadier Melville?

The WITNESS: Yes.

The CHAIRMAN: Then we should hear Brigadier Melville's general statement on the draft bill before we proceed to a consideration of it.

The WITNESS: Gentlemen, you have before you the latest draft of the proposed bill. It is numbered 62597. My reason for calling your attention to that is because there was an earlier draft and this one contains much more extensive explanatory notes which I think you will find to be of use.

As a foreword to the introduction to the Committee of this draft of a proposed bill designed to give statutory authority to a group of Orders in Council passed during World War II providing certain protections by way of pensions and allowances to various groups of persons who were not members of the armed forces, may I point out to the Committee that a further draft bill to amend the Pension Act by incorporating into that Act the various changes which have been made to the Pension Act by Orders in Council during World War II is already before the Committee.

Ever since the passing of the first Pension Act in 1919, even up to the present day, the rights, benefits and privileges of that Act have applied only to the members of the Armed Forces. It is not necessary for me to elaborate the reasons behind this policy; suffice to say the man wearing the King's uniform is, and has always been, considered to be in a class by himself. To depart from this principle now will be creating a precedent which would be neither efficient nor welcome. For that reason, among others, the groups who did not wear the King's uniform have been placed in a separate Bill, notwithstanding the fact that some of the groups may be entitled to all the provisions of the Pension Act, and that in all of the groups the Pension Act applies when not inconsistent with the special provisions relating to their particular group.

When the Committee gives consideration to this proposed bill it will be appreciated that some of the groups have ceased to exist and in due course may be of little more than academic interest but in view of the possibility of some claims arising in the future in respect to these services, it was felt necessary to make statutory provision for this contingency. It might be observed that in due course many of these parts will disappear entirely and this is another reason why the Pension Act, which is the Bill of Rights for the Armed Forces for all times, should not be so encumbered.

It might be noted also that this Bill may not be entirely complete. Order in Council P.C. 988 dated 19th day of March, 1946, makes provision for a group numbering approximately 57 who were assigned for special duty in the war areas. The Commission to date has not been able to secure the names or particulars of this group and in consequence they have not been included in this proposed bill; and my latest information in this connection is that 30 or more of this group were members of the forces and as such would come within the provisions of the Pension Act. There may also be other groups who have made representations to this Committee and whose claims I presume will in due course receive your consideration.

Now, gentlemen, it seemed to me that it would also be of interest to you if you knew the liability which had been incurred with regard to these respective groups, and I have those figures as at the 31st March, 1946.

*By Mr. Brooks:*

Q. Might I just ask a question there? You said there were 57 for whom special provision was made, but 30 of them were in the armed forces. Why would they make special provision for 57 if 30 were already in the armed forces? I saw that under order in council and I was wondering about it myself.—A. Mr. Chairman, I think there is still, shall I say, a certain element of secrecy or something and the commission so far has been unable to get the necessary details. We are following it up very closely. We will make sure that no one who is entitled to the privileges of the Act is denied any of the benefits.

The CHAIRMAN: I think the reason for the order in council was to make sure that they were protected in a blanket sort of way. I think that was the idea.

Mr. BROOKS: If they are in the armed forces, they are protected.

The CHAIRMAN: Yes. It is to make sure that they were fully protected. This was dangerous work.

The WITNESS: The annual liability incurred as the result of these various groups as at the 31st March, 1946, is as follows:—

	<i>Disability</i>		<i>Death</i>	
Merchant seamen (serving on ships of Canadian registry) .....	19	\$8,698	324	\$192,152

*By the Chairman:*

Q. Before you go on, can you give us the number of applications that were rejected in each case?—A. I have not that before me. There were very few. I should be very glad to get that information for the committee.

*By Mr. Herridge:*

Q. That is annual liability?—A. That is annual liability as at the end of the fiscal year, 31st March last. Continuing:

	<i>Disability</i>		<i>Death</i>	
Merchant seamen (serving on ships of non-Canadian registry) ....	11	\$4,206	49	\$18,315
Salt water fishermen .....	1	325	21	16,848
Auxiliary Services .....	9	3,808	3	3,288
Firefighters .....	30	4,379	3	2,520
R.C.M.P. (Special Constables) ....	8	2,025	..	..

*By the Chairman:*

Q. Does that include only special constables? There is part IV and part V, Royal Canadian Mounted Police.—A. Part IV gives the commission power to determine entitlement and assess the degree of disability. The awards are made under their own Act. Continuing:

	<i>Disability</i>		<i>Death</i>	
Air Raid Precautions personnel...	4	\$ 1,176	1	\$ 720
Civilian government employees ....	..	..	6	5,104
Injury during remedial treatment.	2	360	..	..
	84	\$24,977	407	\$238,947.

It will be noted that in part I provision is made for detention allowances which I will explain later.

*By Mr. Brooks:*

Q. Would they be prisoners of war or interned in neutral countries?—A. They would be prisoners and interned.



*By Mr. McKay:*

Q. It may take too long to answer, but it seems to me there is some differentiation between those amounts and the basis of the death claims. Probably the brigadier could indicate what the basis of settlement was, or are you prepared to answer that now?—A. Yes, I am fully prepared. It all depends on dependency. There may have been an award for a widow, or a widow and children. He may have been single and there may have been a parent who was partially dependent, so you have all those varying factors.

Q. It is definitely on that basis? Rank did not take any precedence in the matter at all?—A. Rank is a governing factor in certain cases, as you will see in the bill when we deal with it.

Q. I am thinking of the merchant seamen particularly.—A. You will find that when we come to part I of the proposed bill, Sec. 8.

*Detention Allowances*

Number of merchant seamen interned.....	125
Total allowances credited (such included wages, war risk bonus or other remuneration).....	\$655,418.18
Amount paid out to date.....	560,669.45
Balance available.....	<u>\$ 94,748.73</u>

That balance is being held by the commission pending advice which will enable us to effect a clearance. We have to get information with regard to the advances made by the protecting powers and other agencies during the period of internment. There is also the question of a balance which is being held against income tax.

*By Mr. Green:*

Q. How much is that?—A. It is all included in that figure I have read. We have been advised what to hold and we are holding that credit.

Q. How much are you holding?—A. The balance available for disbursement today is \$94,748.73.

Q. How much of that is for income tax?—A. I have not got that figure. I could get you an approximate one.

The question was asked by one of the members with regard to the South African nursing sisters. I may say that, following upon the discussions which took place at an earlier meeting of this committee, I asked for advice from the Office of the High Commissioner and he gave me this information:—

Pensions at present in force.....	8
Pensions suspended during re-assessment.....	2
Gratuities.....	2

In one of those latter cases pension was later awarded and has since been discontinued. Those are South African awards.

*By the Chairman:*

Q. Would you say a word in regard to the Wrens, and how they will be covered in regard to any possible pension claims? I have reference to the Canadian Wrens that went into the British Wrens.—A. They will, by virtue of the action taken by this committee and by the government, probably be provided for under the provisions of the Pension Act. Am I correct?

The CHAIRMAN: Probably by the bill that is before the House now saying that they shall be deemed for all purposes to be deemed members of the armed forces; because it was only by the peculiar wording of the British regulations that the British Wrens were not members of the armed forces. Of course, it

will have to be decided whether we will simply say that they shall be deemed for all purposes to be members of the armed forces in that bill. I, myself, forget what is in it and it is not printed yet. But it could be covered in that way.

The WITNESS: Possibly.

The CHAIRMAN: Now, gentlemen, shall we proceed to just go through this bill, take it clause by clause, and if anyone finds anything controversial and asks for it to stand, we will have it stand. Then we will start taking up the controversial sections.

*By Mr. Moore:*

Q. Before we proceed with that, I should like to ask a question of the brigadier in connection with the merchant seamen. I understand there are some 125 who were interned during the war. Did their pay go on all during that term of internment?—A. Yes. We opened up accounts and those accounts were credited with their pay, war risk bonus and so on, during the whole period of internment; we were advised from the department concerned with regard to the rate of pay which was in effect. During the period of internment we took care of their dependents and provided them with allowances. When the merchant seamen was released from internment and he arrived, say, in a British port, we had him met. We advanced him money from that credit. He got an additional advance when he arrived at the Atlantic seaboard. He was again met and he was given additional money; and we have liquidated the credit, shall I say, to practically the full extent, except for the small reserve which I have already mentioned. Is that clear?

Mr. MOORE: Yes.

Mr. SINCLAIR: I should like to ask a question of you, Mr. Chairman. You brought out the matter of these British Wrens. Since we have just gone over the table of contents, I should like to know why the Red Cross girls and the St. John Ambulance girls are not included in this bill? The air raid precaution workers who worked in Canada—in Hull, Ottawa and the rest of those danger zones—are covered; yet these girls who served as ambulance drivers and hospital workers overseas and in France are not covered. So once again, I should like to know why?

The WITNESS: Gentlemen, the draft of the proposed bill which is before you incorporates a number of orders in council. In other words, there was legislative authority for taking certain action on behalf of certain groups. There has been none for the particular ones you speak about, Mr. Sinclair.

Mr. SINCLAIR: There were orders in council affecting various rights for them. But more than that, are we once again going to have the sorry spectacle of passing a part bill now for almost everybody else, including even the air raid precaution people who served here in Canada who, if they were injured in a practice black-out, are pensionable. These Red Cross girls and ambulance drivers served overseas, and could have been injured in a real black-out in France and on the Continent, but are not even mentioned. Surely we are not once again going to have another bill of that kind?

The CHAIRMAN: It would be for this committee to recommend any additions to the bill. This is just a proposed draft bill, as the brigadier says, embodying existing orders in council. That is one of the reasons why I wanted it before the committee to be considered, because there are obviously cases which are not covered yet by order in council which this committee would want to deal with and make recommendations about. So I think it is very good to have this come up at this early date and have observations from members of the committee about it.

Mr. CRUICKSHANK: Could we not know right now whether these girls will come in or not?

The CHAIRMAN: Well, it is a matter of government policy.

Mr. CRUICKSHANK: Well, as far as the committee's policy is concerned; never mind the government.

The CHAIRMAN: The committee has every right to make observations and recommendations. What I thought was that we would run through this bill, see the scope of it and then, at any time that the committee decided, we could debate it and make recommendations.

Mr. CRUICKSHANK: I do not see why we could not right now make our recommendation, that we are going to consider all these different people. Could we not consider them as in now, in so far as this committee is concerned?

Mr. QUELCH: Mr. Chairman, do you mean that you want to wait until we come to the appropriate section before dealing with that?

The CHAIRMAN: I think the best thing to do is to go through the bill, see the scope of it ourselves, and then we could set aside a day to debate it. Then we might want to have some evidence in addition to what we have got in the inter-departmental committee's report as to the work done by the people such as Mr. Sinclair speaks about. Then I think the committee would be prepared, after considering everything, to make some further recommendations. I have no doubt about that. But what we had in mind this morning was that we should go through this bill and adopt the parts of it that are not controversial, see the scope of it; then we would have it in mind and bring it up again at a time to be decided on. So if that is satisfactory, we could consider section 2 to begin with, or clause 2 of the bill. Can we consider that?

Mr. BENTLEY: Before we go on to the clauses, Mr. Chairman, may I ask another question for my information? I have had quite a bit of correspondence, and I have not heard this group mentioned yet. This may not be the place to bring it up, but I should like to know about the 34th company of the Veterans Guard of Canada which went to British Guiana for a couple of years. Where do they come in under these various Acts?

The CHAIRMAN: They would be members of the armed services.

Mr. BENTLEY: Completely, with all grants, and so on?

The CHAIRMAN: Yes. The reason, Mr. Brooks, that I am starting with clause 2 is that it is usual to leave clause 1 to the last and then general observations can be made on it. We shall now deal with clause 2.

#### DEFINITIONS

##### *Commission*

42. In this Act, unless the context otherwise requires,

(a) "Commission" means the Canadian Pension Commission;

##### *War*

(b) "War" means World War II that commenced in September, one thousand nine hundred and thirty-nine.

Is clause 2 carried?

Mr. GREEN: Why do you have that definition of "war"? Why not make it the same as your definition in the Pension Act?

The WITNESS: Because we are possibly a little ahead of what I had anticipated. We are trying to have uniform terminology, world war I, world war II, and the Pension Act will be so amended.

Mr. GREEN: "World War II" is defined in the Pension Act amendment. Why not simply make it the same definition in this Act? As it is you have got



two separate definitions. On page 2 of the new bill you have got a definition of World War II. Why not simply take that definition and put it in this draft bill we are considering now?

The CHAIRMAN: I think myself it would be good to have the same definition. That struck me when I read it over. It is a very short definition, and I think we should have the same definition in the proposed draft bill and the Pension Act. They refer to the same things. I think it is a good thing to have the same wording for fear it might be thought that there was some reason for the difference.

Mr. GREEN: I do not imagine it would make much difference.

The CHAIRMAN: It is just a matter of having it clear. You will make the motion that we have for the definition of war the wording found on page 2 of the proposed draft bill in regard to the Pension Act. This is, "War means World War II which shall mean"—

Mr. GREEN: I think it should read:

"War means the war waged by His Majesty and His Majesty's allies against Germany and Germany's allies", and so on.

You do not need to mention World War II at all.

Mr. BENTLEY: It says: "World War II" on page 2 of the Pension Act draft bill.

Mr. GREEN: You see under the Pension Act amendments as proposed, World War I and World War II are defined. World War II is defined as meaning:

"The war waged by His Majesty and His Majesty's allies against Germany and Germany's allies which for the purposes of this Act shall be deemed to have commenced on the first day of September, 1939, the date or dates, as the case may be, of termination of which will be such date or dates, as may be proclaimed by the Governor in Council".

I would suggest in this draft bill we are considering now we should say "War means" and then go on with that definition.

The CHAIRMAN: How would it be if we said here that war means World War II as defined in section so and so of the Pension Act?

Mr. GREEN: That will be all right.

The CHAIRMAN: We will have a motion to that effect by Mr. Green. All in favour? (Carried).

Mr. GREEN: There is one thing about Section 1. Is there not some better name that can be used than "The Civilian War Pensions and Allowances Act"?

Mr. BROOKS: That was the matter I was going to bring up.

The CHAIRMAN: We were going to leave that to the last but if you wish to discuss it now—

Mr. GREEN: It seems to me that it is hardly right to describe, for example, Canadian merchant seamen, the auxiliary services, the Corps of Canadian Fire Fighters, the Mounted Police and the South African Nurses in that way. It seems to me that there should be some better wording than that.

Mr. CRUICKSHANK: What is the wording now?

Mr. GREEN: "Civilian war"—

The CHAIRMAN: That was left to stand, but if the committee would like to offer any suggestions now we might receive them. Then they could be considered by the committee in the interval.

Mr. CRUICKSHANK: It is a pretty hard word to get around.

Mr. GREEN: I cannot think of another word at the moment.

The CHAIRMAN: What word was it that you do not like?

Mr. GREEN: "Civilian".

Mr. HERRIDGE: What other word can you use to express the principle in the bill?

The CHAIRMAN: I suggest that we let that stand. When we get to the conclusion of the bill then we will have an idea whether this is an adequate description or title. It is to differentiate this from the Pensions Act. If we can leave it I suggest we can think about it in the meantime. Then we will take up clause 3.

*Claims to be dealt with as claims under Pension Act. R.S. c. 157.*

3. All claims for pensions, allowances and compensation under this Act shall be dealt with and adjudicated upon in like manner as claims under the *Pension Act* and all the provisions of the *Pension Act* not inconsistent with this Act shall, with such modifications as circumstances may require, apply to every claim under this Act.

Shall that clause carry? (Carried).

Clause 4.

*Information and material*

4. Every department of Government shall furnish the Commission with such information and material as the Commission may from time to time require for the purpose of considering applications for pensions, allowances and compensation under this Act.

That is designed to provide that the Commission may secure the necessary records and relevant information essential to the proper appreciation and consideration of the claim from government departments. (Carried).

With regard to part I, Brigadier Melville has a statement to make on that which has particular reference to Part I.

The WITNESS: Immediately following the outbreak of World War II it was realized that merchant seamen and salt water fishermen would be subject to disability or death as the result of enemy action or counter action against the enemy. The original Order in Council to make provision in this regard was passed in November 1939 to extend compensation similar to that provided in the Pension Act. The order limited the benefits to crews of ships of Canadian registry or licence who suffered disability or death by enemy action.

In June 1941 following upon advice of the capture of the crews of three ships of Canadian registry an Order in Council P.C. 12/4209 dated 12 June, 1941 was passed which provided continuation of the wages and other remuneration receivable at time of capture. These were known as detention allowances and on receipt of confirming advice from the departments concerned the Commission set up accounts and administered them in the interest of the mariner and his dependents.

On the 16th July, 1941 Order in Council P.C. 87/5204 was passed and extended the benefits of pensions and detentions allowance awards to Canadian Nationals serving on ships of non-Canadian registry engaged in essential war work—all such awards to be subject to adjustment in relation to the benefits received from the country under whose flag the ship was operating.

In the light of experience gained it was found necessary to broaden the provisions in respect of disability and death. P.C. 104/3546 dated 30 April, 1942 gave effect to the representations which had been received and:—

- (a) extended the definition of enemy action to include disability or death resulting from "extraordinary marine hazards consequent upon there existing a state of hostilities," if the ship was engaged in essential war work.

- (b) provided protection for mariners while proceeding to join a ship or returning therefrom or while on leave from his ship outside of Canada.
- (c) gave the Commission authority to presume death in order to provide immediate assistance for the dependents.

Part I makes no change in the law as it was effected by these various orders in council.

Mr. CRUICKSHANK: May I ask a question in this connection? Like Mr. Bentley I do not know whether this is the proper time, but if I remember correctly there was an order in council passed which said that merchant seamen would be to all intents and purposes considered as members of the armed services. I think it was almost in those words. I understand that the fire fighters are going to get the benefits, a matter of which I do not approve. I was not able to be here at that meeting, but if they are getting it I want to know if the merchant seamen are going to get all the benefits that the soldier gets. The reason I bring that up is that there is a man in this town who was adrift in the Atlantic after being torpedoed. He has been working in the civil service since he was discharged as wounded from the merchant marine. Now he is being let out of the civil service because he does not get the overseas preference. If you are going to give these benefits to A.R.P. personnel who wander around Ottawa and Hull then am I to understand that a man in the merchant marine cannot qualify for the civil service in this town? It does not make sense.

The CHAIRMAN: A discussion is being held at the present time between our department and the Department of Transport, which really has the responsibility in regard to the merchant marine and so on, in regard to a bill which will, if it is decided on, confer certain rights on merchant seamen. There has been no decision on that particular matter yet, but it is certainly being considered and, of course, naturally this committee will have the right to consider that when it comes up, but it is being considered now.

Mr. CRUICKSHANK: Then what I should like to ask is when are we going to get that, because I cannot see how I can consistently carry on and support this if I do not know on the other hand that this merchant seaman who risked all and was torpedoed in the Atlantic is going to be protected.

The CHAIRMAN: This bill provides for pensions for merchant seamen.

Mr. CRUICKSHANK: It also asks me to approve of pensions for A.R.P. workers and so on. I might lose a few votes in my whole riding by talking about the A.R.P. but at least they were near the Japs. I would like you to show me where these people who were in Winnipeg or Hull were in any danger. Yet they are going to get pensions, and I am asked to approve giving them pensions when I do not know whether a merchant seaman is going to be allowed to work for the dominion government as a civil servant. quite a difficult matter.

Mr. CRUICKSHANK: When am I going to know that?

The CHAIRMAN: We cannot deal with everything at once. That is a question as to what extent we will extend the civil service preference.

Mr. CRUICKSHANK: If he loses his job he cannot eat either.

The CHAIRMAN: It is a question as to what extent the civil service preference will be extended. That will be a matter we will have to deal with. It will be quite a difficult matter.

Mr. BENTLEY: I agree with Mr. Cruickshank. What you say probably is quite correct, but at the same time merchant seamen and all their problems should have had precedence. If we proceed to pass this bill the committee would be in a very unpleasant position having passed pensions for those people he mentioned who worked around Hull and so on, and maybe at some later date



not giving full benefits to the merchant seamen which many of us believe they are entitled to. Would we not be in a sweet position if we found ourselves doing that?

The CHAIRMAN: What you are suggesting is that we should not pass any pensions for these people until we decide whether they shall have the civil service preference?

Mr. CRUICKSHANK: No, if I may interrupt, what I am interested in is that I do not think we should pass this until we know that merchant seamen are going to get every benefit that the fighting man gets.

Mr. SINCLAIR: As a matter of order of preference, after having dealt with the armed services our next duty was to the merchant seamen ahead of the A.R.P. and the St. John's ambulance girls, and so on. Mr. Cruickshank's point is that we are going to proceed to take the time of the committee to give certain privileges to the A.R.P. of Ottawa and Hull—I think that was the most dangerous area—and it would take about a month to go through this bill. As Mr. Bentley points out the session may be over. We will go back to our ridings, and the merchant seamen will say, "What about the civil service preference? What about benefits?" We would have to say that we were too busy giving benefits to the A.R.P. workers to take up the case of the merchant seamen.

The CHAIRMAN: I did not understand that was the point of the objection. I think yesterday the idea was that we should not take any longer than to-day on this until we dealt with pensions and other matters that affect the armed services. In other words, we were making use of to-day to the best advantage. There is no intention at all of proceeding to take several days on this and postponing consideration of the Pensions Act and these other important matters. It is just a matter of going through this bill, seeing how much of this we can agree on and then deferring the rest until later. That was the decision of the committee yesterday. I did not get the point of the objection, I am sorry. Now, what about clause A of clause 5?

Mr. GREEN: Well, there is (a) you have a definition of Canadian national, and it refers to the Canadian National Act which is about to be repealed. Now, would Brigadier Melville explain what the position of that definition will be, why there should be a definition there, or how he is going to get around the fact that the Act mentioned is about to be repealed?

The CHAIRMAN: That is why I mentioned that. This was drawn, of course, not having in mind that there would be a Canadian Citizenship Bill which we expect will go through this session; so I suggest that we let subsection (a) of clause 5 stand, and by the time we come back to this bill that other item may be through.

Mr. GREEN: I wonder if it would not be helpful if the Brigadier would explain the types of men he has in mind as coming within the definition "Canadian national". For some reason or other it was put in. Would he explain just what it embodies, just what it was intended to cover. I believe it covers anybody who serves on a ship of Canadian registry regardless of what their nationality would be. Is that correct?

The WITNESS: Yes, it is.

The CHAIRMAN: The order-in-council does that. This particular clause is not mentioned to do that.

Mr. GREEN: I know, but I want to know what seamen are covered by this bill. First of all it covers all men on a ship of Canadian registry, then apparently there is such a thing as a certified non-Canadian ship. Does it cover any man who served on a non-Canadian ship; that is, a ship which is really working for the Canadian government although it may not be registered that way; or, does it only cover Canadian nationals on that ship?

The WITNESS: The proposed bill is intended to cover all Canadian nationals who served on ships of Canadian registry and to define—

Mr. GREEN: Before you go on, does that not cover everybody who served on a Canadian ship or whether he is a national or not?

Mr. HARRIS: Yes, it does.

The WITNESS: Yes, and it goes on to include a ship of non-Canadian registry or licence certified as such by the Director of Marine Services of the Department of Transport—Canadian nationals serving on such ships.

Mr. SINCLAIR: That applies to Canadian nationals only?

The WITNESS: To Canadian nationals only.

Mr. GREEN: What are these ships; I mean, under what conditions are they operative?

The CHAIRMAN: That is defined in clause (c), Mr. Green; clause (c) of section 5. It says, "Canadian Ship means a ship of Canadian registry or licence certified as such by the Director of Marine Services of the Department of Transport, but does not include a ship under bareboat charter to any charterer resident outside Canada," then a little further down in clause (e) it says, "by a Canadian ship or by a certified non-Canadian ship when employed on a voyage that in the opinion of the Commission was essential to the prosecution of the war on behalf of His Majesty or His Majesty's allies;"

Mr. GREEN: Does that mean that the ship is working for Canada although it may be a Swedish ship, for instance; or does it mean any ship used anywhere in the world, and having no direct connection with Canada at all?

The WITNESS: It means any ship working for us anywhere in the world for the prosecution of the war in which we were engaged.

Mr. McKAY: It could not be for anybody else?

The CHAIRMAN: It should be for the allies.

The WITNESS: It might be a Greek ship.

Mr. McKAY: It could be a Swedish ship on the way to Russia carrying munitions?

The WITNESS: Yes.

The CHAIRMAN: What I suggest we do with regard to subsection (a) is to let it stand and see if we cannot change it to mean all Canadian citizens, but we could only do that if we were sure that we were not leaving anybody out. I suggest we let that stand over for further consideration.

Mr. GREEN: I think the Brigadier should find out what is contemplated; just what ships are meant to be covered. For instance, does it cover any Canadians serving on any ship that was sailing during the war, whether it was under the flag of Canada, or Sweden, or Britain, or the United States or any other nation?

The WITNESS: That is quite correct.

The CHAIRMAN: As long as it is certified to be on war service, certified by the Director of Marine Services of the Department of Transport.

Mr. GREEN: Is that confined to certification during the war, or could the type of service be certified to in the future; that is, if one of these men develops a certain disability which can be traced back to his service on a ship, then perhaps it would be too late for the Director of Marine Services to give a certificate with respect to the service of a particular ship on which the man might have been employed for a specific voyage.

The WITNESS: No, it will not be too late. If a claim was received by the Commission and we had no information with regard to the ship we would then refer to the Department of Transport to see if the ship qualifies under section 5, subsections (c) or (d).



The CHAIRMAN: What I suggest we do with regard to that is this, the Canadian Nationals Act is going to be repealed so there would be little advantage in having incorporated into this Act the definition of Canadian national which appears in that Act. In view of the fact that the Canadian Nationals Act is going to be repealed it does not look like good draftsmanship to have a definition contained in one Act which refers to another Act which is going to be repealed. Therefore I suggest that we let the matter stand.

Mr. BAKER: Does that affect a man serving on a light ship?

The WITNESS: When you come to a further point in the definition clauses you will find that it applies to any type of vessel, "not propelled by oars".

Mr. CRUICKSHANK: Then it would include canoes.

The CHAIRMAN: Then clause (a) will stand. We will now go on to clause (b). clause (b).

Mr. WINTERS: There is a pretty broad subject embraced in that clause and I think it should stand over until the other bill has passed.

The CHAIRMAN: Yes, otherwise it might preclude someone. I think the term "British subject" is more inclusive than the term "Canadian citizen". I don't think we should change that because there are rights there which we should not take away. I think we should carry that because we do not want to take away any rights which are now extant.

Mr. GREEN: I think perhaps that clause is wanted there because it may be that a man serving on a Canadian fishing boat would need to be covered just as much as we would cover him if serving under (a). Apparently the distinguishing factor there is a man who might lose his life on a Canadian fishing vessel and yet not be a British subject.

The CHAIRMAN: On that point, I think we should have somebody from the Department of Transport explain why it is drawn just like this, so the next time it comes up we will arrange to have someone from the department here. That clause will stand. Now we will go on to clause (c):

Mr. BENTLEY: Just as a matter of information, can anyone here explain what a bareboat charter is, it may not be important?

The WITNESS: A bareboat charter, as I understand it, is where a ship is chartered and you take the ship and crew. The charterer can take the ship and use it in any line of business he cares to, with that crew.

Mr. BROOKS: The "bareboat" does not include the crew.

The CHAIRMAN: The "bareboat" is just the boat alone without the crew.

The WITNESS: I beg your pardon, yes.

Mr. BENTLEY: Without the crew?

The WITNESS: That is so.

Mr. CRUICKSHANK: Under this bareboat charter would a Canadian be protected, the crew of the boat, say it were a Norwegian boat?

The CHAIRMAN: Perhaps we should let that clause stand until we have someone here who can explain it for us.

Mr. GREEN: There may be men who are not Canadians serving on these Canadian ships, because they are chartered, for instance, to the Americans.

The CHAIRMAN: We will let it stand and have these gentlemen who will be called from the Department of Transport cover it. I think we may as well let the whole of clause 5 stand. What about clause 6?

6. For the purpose of this Part of the class of a vessel, the nature of the trade in which a vessel is engaged and the status of the members of the crew shall be determined according to the provisions of the Canada Shipping Act, 1934, and regulations made thereunder.



Mr. GREEN: I think it would be very helpful if you had the officer who is in charge of this branch of the Department of Transport here when we consider this. That would help us to understand just what this thing means.

The CHAIRMAN: I think so. We will let that stand. Clause 7, sets out rates of pension. It reads:—

7. (1) Subject to this Part, pensions shall be awarded in accordance with the rates set forth in Schedules A and B of the *Pension Act* for members of the naval forces of Canada, to or in respect of,

- (a) persons who, while serving upon any Canadian ship;
- (b) Canadian nationals who, while serving upon any certified non-Canadian ship; and
- (c) Canadian salt-water fishermen who, while serving upon a ship engaged in the fishing industry of Canada in Canadian tidal waters, during the War and as a direct result of enemy action, or counter-action taken against the enemy, suffer injury or disease or aggravation thereof resulting in disability or death.

Now, I suppose the members will want to study that so I think we will let that stand.

Mr. GREEN: I would like to know the meaning of those words, "as a direct result of enemy action". That seems to be putting a big onus on the applicant for a pension. I certainly would want to know about the application of the insurance principle. Will the Brigadier explain why these words were used?

The WITNESS: The meaning will be found in Section 5 subsection (e) which defines "enemy action". There are provisions covering ordinary accidents to merchant seamen in the Order in Council, P.C. 4755, dated 17th of July, 1945, and reading in part as follows:

"Whereas existing provincial Workmen's Compensation Acts vary considerably in their general provisions and scales of benefits, and do not provide adequate protection for seamen who as a result of accident, suffer injury, disability or death while serving on Canadian ships employed in home-trade and foreign voyages;

"And whereas it is deemed desirable to provide such seamen with this protection the most expeditious and effective method being to establish, as a wartime measure, regulations providing for a scale of benefits for injury, disability, or death suffered by the said seamen in cases not covered by the various provincial Compensation Acts, the said benefits to be paid by their employers and the cost of administering the said regulations to be charged to the employers."

Then there are very extensive regulations.

Mr. CRUICKSHANK: During the time Mr. Sinclair was overseas there was a case in Vancouver North which concerned a sailor on a ship. I have forgotten the name of the ship, but this man had his leg broken at the hip and he suffered a great deal of trouble from his injury afterwards. I had a lot of correspondence trying to get help for this man. He was on a boat carrying munitions and supplies of war. What I want to know is, how is he protected? As someone has pointed out, this was not due to direct enemy action: he fell somewhere. It is known to the ship's officials—the doctor, the captain and so on—that he was hurt on this boat; that he had his leg broken at the hip, and as far as I know he is still disabled. He signed on in the merchant marine under the regular officials.

The WITNESS: He might be protected, I take it, by the provisions of the order in council I have just quoted.

*By Mr. Sinclair:*

Q. Is not this to replace this order in council?—A. No, this part of the bill which we are considering now makes provision for all those who are entitled to benefits under the pension Act.

Q. A man with a disabled hip is not going to go to sea again; he is surely pensionable?—A. If it had resulted from enemy action or counteraction—

Q. I do not know this case, but if that man fell and broke his hip because the ship was blacked out, that is counteraction. Now, is he pensionable?—A. That is counteraction against the enemy. He is provided for by the bill which is now before the committee for consideration.

Q. He would have some job establishing that.

Mr. CRUICKSHANK: I want to recall a case that came to my attention some time ago—I do not remember the exact details—but it has to do with a Canadian serving on a British ship, and this is what happened: he fell in the hold, or some place else, in the darkness. That is certified by the ship's officials. He received treatment, and after he got home he was discharged. The disability was worse than they anticipated, because at that time this man was a helpless cripple. I had a great deal of correspondence about this matter, but I could not establish who would look after this man or whether his dependants were to be provided for. That is direct action. If that definition "direct action" covers that, all right; but certainly he fell in the hold in the dark.

The CHAIRMAN: The bill, of course, is designed to deal with people who suffered by direct action or as the result of contact with the enemy, or defence against the enemy. Now, as to whether a man like that is covered or not I do not know, but I think it would be a good idea to find out if he is actually covered by any legislation so as to make sure about it. I believe we should have officers of the Department of Transport here to tell us to what extent people are covered in regard to these various matters.

The WITNESS: Mr. Chairman, it would be of interest to read on page 2 definition (e):

(e) "enemy action, or counter-action against the enemy" includes extraordinary marine hazards occasioned by the war and encountered by a Canadian ship or by a certified non-Canadian ship when employed on a voyage that in the opinion of the Commission was essential to the prosecution of the war on behalf of His Majesty or His Majesty's allies.

There are cases where men have incurred injury on board ship, during a blackout, where entitlement has been conceded by the commission.

Mr. GREEN: Is the position at the present time this, that men who can prove that their disability is the direct result of enemy action get a pension under the Pension Act? Then, the man who is injured in the ordinary course of employment gets workmen's compensation under the provincial Acts. And then there was a gap between the two, and to fill the gap the regulations which the Brigadier read a few moments ago were passed. Is that the present situation?

The CHAIRMAN: That is correct; but I think we should have somebody here to give evidence on this matter. We should ask somebody to come here from the Department of Transport to deal with the matter fully.

The WITNESS: It is their legislation.

The CHAIRMAN: It is Department of Transport legislation. I think to be sure that we are getting the information exactly we should have somebody over from that department.

Mr. GREEN: I would point out to the chairman and to the members that the definition of "war service injury" under Part VI, dealing with air raid precautions goes much farther than the definition under Part I. It covers, for example, "... action in apprehension of enemy attack or during a blackout, test or period of training duly authorized by the senior air raid precautions officer in the designated area in which such injury was sustained,

and, in the case of a duly registered voluntary evacuation worker, means injuries arising out of and in the course of his duties as an evacuation worker."

The CHAIRMAN: I might say to the committee that we would have had an officer of the Department of Transport here this morning but for the fact that it was understood that we would allow any matter about which there was considerable discussion or debate to stand.

Mr. CRUICKSHANK: The case I mentioned should be brought to his attention. I do not know whether they have workmen's compensation in England or not, but this man is a Canadian and he was on a British ship, signed on under our manning pool. As regards workmen's compensation, they may not have him; I do not know whether they would or not. The man would have no protection at all.

The CHAIRMAN: That will be brought to the official's attention and he will be asked to answer questions.

Mr. BENTLEY: Mr Chairman, there is so much information that we need and so little time to do it, I suggest that as it is close to 1 o'clock we adjourn.

The CHAIRMAN: Very well. We will meet again at 11 o'clock on Monday to hear the soldier settlers' representatives.

The Committee adjourned to meet again on Monday, May 6, at 11 o'clock a.m.



9w.Dor  
Can  
Com

CA  
XC2  
-45V21

Canada. Veteran Affairs, 4/25  
Ottawa, 1946

SESSION 1946

HOUSE OF COMMONS

CANCELLED  
UNIVERSITY OF TORONTO

SPECIAL COMMITTEE

(ON)

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

MONDAY, MAY 6, 1946

## WITNESSES:

Mr. Robert Fair, M.P.;  
Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act;  
Messrs. H. C. Baker, A. J. Sibley and R. W. Thompson, representing The  
Soldier Settler Association of Canada.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946





## MINUTES OF PROCEEDINGS

MONDAY, May 6, 1946.

The Special Committee on Veterans Affairs met at 11.00 a.m. In the absence of the Chairman and Vice-Chairman, it was agreed that Mr. Croll preside.

*Members present:* Messrs. Archibald, Ashby, Bentley, Blair, Cleaver, Croll, Cruickshank, Gillis, Green Harkness, Herridge, Lennard, Marshall, MacNaught, McKay, Quelch, Robinson (*Bruce*), Ross (*Souris*), Viau, White (*Hastings-Peterborough*), Winkler.

In attendance: Mr. Robert Fair, M.P.; Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act; Messrs. H. C. Baker, A. J. Sibley and R. W. Thompson, representing The Soldier Settler Association of Canada.

Mr. Murchison was called and questioned.

Mr. Fair introduced Messrs. Baker, Sibley and Thompson.

Mr. Sibley was called, presented a brief on behalf of The Soldier Settler Association of Canada, and was questioned thereon.

Mr. Baker was called, heard and questioned.

Mr. Thompson was called, heard and questioned.

The witnesses retired.

At 1.00 o'clock p.m., the Committee adjourned until Tuesday, May 7, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 6, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. Mr. D. A. Croll, Acting Chairman, presided.

The CLERK: Gentlemen, the chairman is absent at a subcommittee meeting of the cabinet and will be delayed for a short time. In the absence of the vice-chairman he instructed me to ask Mr. Croll to take the chair if that is the pleasure of the committee. (Agreed).

The ACTING CHAIRMAN: Gentlemen, we were to hear evidence this morning on the Soldier Settlement Act. We have not any brief from them. They are here in person, and I presume that the committee wants to hear them. We will ask them to make their presentation.

Mr. QUELCH: I think Mr. Tucker had indicated that Mr. Robert Fair would introduce them as he has been working in cooperation with them.

The Acting CHAIRMAN: Surely.

Mr. BENTLEY: Just before that is done may I have the privilege of mentioning one matter? It is not on the agenda today, but Mr. Murchison is here. I am receiving quite a few complaints from Saskatchewan that land inspections are very slow out there, and a lot of them are not getting settled. They are asking if something cannot be done to accept the provincial department inspection so as to speed up the settlement of these men in order that the men who have signed a lease with the Saskatchewan government can get their grants. There are quite a number of them who have signed leases. They cannot get their grants for the purchase of machinery and so on.

GORDON A. MURCHISON, Director Soldier Settlement and Veterans Land Act called.

The WITNESS: We are moving just as quickly as we can with the staff at our disposal to deal with these matters. I should like to make a comment off the record.

The Acting CHAIRMAN: Very well.

(Off the record).

Mr. Ross: May I ask the director a question? I might say I have had quite a few complaints from settlers from western Manitoba and southern Saskatchewan. They hold the view that your board does not want to settle anybody in what is termed the Pallister triangle due to the drought years in that area. Outside of those few drought years, however, some people have been very successful in those areas, and they have the idea that your boards of administration are holding back unduly and do not want to settle them in those areas on land that is normally pretty good land.

The WITNESS: I think we can say this, that I have already advised this committee and other organizations that with respect to these so-called hazardous areas of western Canada, more commonly known as the Palliser triangle, we must exercise a great deal of care in what we do. We have at no time drawn a line around any particular block of land and stated "this is taboo, we are not going in here." We simply take the ground that we should not encourage veterans who did not derive from those areas, who know nothing about the hazards in those areas, to go in there in search of settlement, but we do feel that veterans who derived from those districts should be encouraged to settle there if their

selection is of land of a type that shows reasonable promise. Anyone familiar with the conditions in that area appreciates that there are islands of good land and areas of submarginal land. It would be folly on our part to disregard the experience of the past fifteen or twenty years and permit veterans to establish themselves on decidedly submarginal land.

The situation in that regard comes more clearly into focus in connection with the settlement of veterans on provincial lands, and also under the provisions of the amendment recently recommended by this committee to assist veterans to become established on a rental basis. We are also encountering attempts by veterans to get into highly speculative wheat farming on some of the special areas of land in the province of Alberta, for instance, which were taken out of cultivation by the province with the co-operation of the dominion, too, because of experience which has shown that they were too hazardous for wheat production. To meet that situation realistically and fairly arrangements are being made to hold a conference in western Canada at which representatives of the Provincial Department of Agriculture, Federal Department of Agriculture, our own advisory committees and anyone else interested, will attend with a view to trying to arrive at a sound workable settlement policy with respect to that particular class of land. I think it would be very unfortunate if we encouraged veterans to become established on land which, let us say, has been the subject of an award under the Prairie Farm Assistance Act practically ever since that act came into operation. I can see no point in settlement of that class. On the other hand, there are areas of highly productive soil in these hazardous areas on which settlement should certainly take place provided it can be done on a reasonably sound basis. I do not know whether or not that answers your query?

Mr. Ross: Yes, it does. That clears up the point I wanted to make. I might add that I have been one of the members of this committee who, ever since bringing in the new Veterans Land Act, has repeatedly warned against settling people on submarginal land. These people held the view that your men were making inspections and leaving out the good parts. That is the point I wanted to clear up, but I agree with you.

Mr. McKAY: May I ask a question? I do not suppose that Mr. Murchison has this data now, but perhaps he can get it. I wonder if he could get some data as to the number of settlers who have been put in the Palliser triangle. During the Christmas and Easter recesses I travelled over a great deal of that area and I found only one veteran settled in that area. I know that lots of good land exists in that triangle. I did not cover it all, but I found only one veteran. I should like Mr. Murchison to give us some figures as to the approximate number.

The WITNESS: I will be very glad to look into that. It is a vast area. It starts roughly at Souris on the east and comes out at Lethbridge on the west and the apex is at Lloydminster, and that constitutes a very large part of western Canada.

The ACTING CHAIRMAN: Gentlemen, we will hear Mr. Fair.

Witness retired.

Mr. FAIR: Mr. Chairman and gentlemen: I want to thank you for the privilege of being able to come before this committee this morning and introduce my friends, the officers of the Soldier Settler Association. Because there has been some mistake about this I want to make it clear that I am not a returned soldier and therefore not a soldier settler. For that reason over the past years I have not been following up this subject for the purpose of getting anything for myself. It is true I am a farmer, but I did not settle under the Soldier Settlement Board. We have the officers of the organization here who will give you the necessary information. First of all we have Mr. H. C. Baker of



Fielding, Saskatchewan, president of the Soldier Settlers Organization. Then we have Mr. A. J. Sibley of North Battleford, Saskatchewan, who is secretary, and who has done an immense amount of work in connection with these matters. Then we have a member of the executive, Mr. R. W. Thompson, of Lloydminster, Alberta. I have here copies of the brief prepared and brought to Ottawa by the officers, and will distribute them now.

The ACTING CHAIRMAN: Give them to the clerk.

A. J. SIBLEY, Secretary, Soldier Settler Association of Canada, called.

The WITNESS: To the Chairman and Members of the Special Committee appointed to consider Veterans Affairs.

Gentlemen—As representatives of the Soldier Settlers' Association of Canada, we have the honor to present this brief asking for a clear title to all lands held by Soldier Settlers as at March 31, 1944. We submit that we, who are all of us Great War I veterans are entitled to as much consideration as was given to the supervisors and staff of the Soldier Settlement Board who were under the advice of Brig. General Alex Ross, CMG, DSO, taken into the Civil Service, and after a period of years superannuated with sufficient to provide them with security and freedom from fear and want during the rest of their lives. Brig. Gen. Alex Ross, CMG, DSO, in presenting their case based his appeal on the grounds of their war services followed by their faithful service in the Soldier Settlement Board after the conclusion of Great War I. Surely, then, we soldier settlers who also faithfully performed our duty during that campaign, are equally entitled to the consideration of the Canadian Government. In the very early thirties an organization known as The Soldier Settlers' Union was organized with a large membership with headquarters at Lloydminster, Saskatchewan. A brief was presented by them to the Federal Government in 1938 because of their failure to achieve any definite settlement to their many grievances. To quote in part: "It is only fair to state at the outset that it is our opinion that the large expenditure of taxpayers' money on these remedial measures and for the settlement scheme, has failed utterly to accomplish its purpose, viz—the ultimate ownership within a reasonable period of time of his home in the country for which he fought in the war." It was during this period that the dollar for dollar bonus scheme came into existence which only applied to arrears which consisted largely of accumulated interest. This by the way was not only for bona fide veterans but for all those farming under the Soldier Settlement Board, and many purchasers were ex-German soldiers who had fought against us and yet received the same help. It cannot be properly said therefore that it was a concession to us war veterans. If at that time the bonus had been broadened to include the whole of the settlers' debts it is very probable that our problem would have been solved within a few years, and the terrific overhead burden of administration of one million, one hundred thousand dollars per annum could have been lifted from the shoulders of our taxpayers. As at March 31, 1944, there were 6,153 of these veteran settlers and their families remaining of the original 25,017. The total amount advanced by the Government was \$109,034,321. The rate of interest charged was 5 per cent on current accounts and 7 per cent compound interest as soon as the account went into arrears. There were many reasons why settlers went into arrears. Some of them were the high prices paid originally for land and stock and equipment. Cows purchased at \$100 to \$125 were, because of a devastating slump in cattle prices and lack of feed sold within three years of their purchase for cutters and canners at two cents per pound. Then came drought and early frost and in many cases hail, and when in 1930 the prairies produced bumper crops of high quality wheat it was sold at 25 cents per bushel No. 1, a very definite loss. Threshing at that

time cost 12 cents per bushel, and hauling to market around 7 cents, so that after allowing for grading and dockage it was an out of pocket proposition. In spite of this the Soldier Settlement Board demanded their pound of flesh, and our only privilege was to be allowed to continue to pay the 7 per cent interest! The proposed extension of the Soldier Settlement Board contracts as provided by order in council PC 10472 called for a further 20 year period of amortization at the original 5 per cent interest. Seeing that a large number of soldier settlers are now nearing 70 years of age makes it impossible for any such persons ever to complete their contract and thereby obtain secure possession of their land. Two of these settlers are over the 80 year mark:—one in Alberta is 82; the other, in Nova Scotia is 85! From September 1, 1939, to December 31, 1943, 2,418 soldier settlers left their farms—or were put off, being an average of 606 per annum in 4½ years. At this rate of progress the old ditty which says, "*old soldiers never die,*" will very soon have been disapproved! One old veteran, a former sergeant of the old 43rd Bn. of the 3rd Division with an ailing wife and child (she had been, for a number of years in the Saskatchewan Tuberculosis Sanatorium) was forced to give the S.S. Board a quit claim for his quarter section, and given the privilege of renting from the board eleven acres of land at a price per acre and assuming the taxes due to the municipality for that acreage. This included the buildings also and may be renewed from year to year. The balance of the quarter section was for years rented to his neighbour, an ex-German soldier of the last war and was later sold to a young Canadian for \$1,600. If this man dies his wife and child will likely be put out on the road allowance!

A nearby quarter section, formerly held by a British soldier settler and lost to the Board by a quit claim was sold to another young Canadian for \$1,700.00. This British soldier lost his only son on the beach at Normandy on V-E Day, 1944!!! These two instances only go to show how callous are the methods pursued by the staff of the Soldier Settlement Board. The average cost of the administration has, as we have mentioned before, been approximately eleven hundred thousands of dollars per annum. or one-seventh of the total amount owed by the Soldiers as at March 31, 1944. Plainly speaking, 7 years of this administration would eat up the whole of the present debt. The average debt of soldier settlers is 29 per cent of the original credit given them. By contrast the new settler under the V.L.A., will get a clear grant of \$2,320.00, providing he lives up to the terms of his contract during the first 10 years. This is equal to 39 per cent of his total loan!

The interest of the soldier settlers was, in 1944 reduced to 3½ per cent on current loan, but surely considering the fact that this reduction of the rate per cent was but an admission of the injustice of the former rate of 5 per cent and 7 per cent, it should have been made retroactive to the time these loans were taken up in 1919. Hon. Mr. Ilsley excuses his lack of the spirit of justice by saying that he believes in the "sanctity of contract and contractual obligations." Each and everyone of these men who are presenting this brief realized the fact of their belief in contractual obligations to this Canada of ours, and sixty thousand sealed their pact with their lives in those bloody years of 1914-18!

The present government has advanced over a hundred million dollars as a loan to the Netherlands government at an interest rate of 2 per cent at least on the first 25 million dollars, and yet they charged the veterans who actually saved Holland from the enemy; 3½ per cent interest if they take advantage of the Veterans Land Act! And the old veterans were charged 5 per cent and 7 per cent interest. Those who are responsible for this Shylock policy should hang their heads in shame.

The Veterans Land Act is now being operated, and we of the "Old Guard" think that it should appropriately be under the supervision of veterans of the same war, thereby following the advice of Brig. Gen. Alex Ross, CB., D.S.O.,



that all the old personnel should be superannuated; and we would advise, at once! They should have no cause to kick, for a great number of them will have war pensions in addition to superannuation.

They have enjoyed a lovely time while we soldier settlers have been working our heads off and paying 7 per cent interest for the greater part of 26 years. In summing up, gentlemen, the soldier settlers ask that they be given a clear title to their lands held under the Soldier Settlement Board as at March 31, 1944—this also to apply to all widows and children of veteran soldier settlers or dependents. This shall NOT apply to settlers who are living on lands owned by the Soldier Settlement Board. These people are NOT soldier settlers although often called that. We also ask that all veteran soldier settlers who took land under the Soldier Settlement Act of 1918, and who have lost their land either through giving the Soldier Settlement Board a quit claim or by eviction, in the period between September 3, 1939 and March 31, 1944 shall also, if the Board has not disposed of the land receive a clear title to said land, or, if sold be given adequate compensation for same.

In conclusion, may we suggest as an alternative to the foregoing mal-administration of the Soldier Settlement Act, that the Veterans Land Act be reviewed insofar as the present  $3\frac{1}{2}$  per cent interest rate is concerned.

Graham Towers, Governor of the Bank of Canada, agrees that "we can get rid of the interest bearing debt by financing through the Bank of Canada."

Why should not the government, as a gesture of gratitude to the veterans of this war do just that through the Veterans Land Act and give them loans free of interest.

Presented by:

H. C. BAKER, *President*

ALFRED J. SIBLEY, *Secretary*

ROBT. W. THOMPSON, *Executive Member*  
of *The Soldier Settler Assn. of Canada.*

Gentlemen, that is all. If it is necessary I can quote the conditions under which these two rates mentioned in the brief are fixed, and I have the data with me. In conclusion, I must bow to the committee, this special committee of veteran members of Parliament. We have at last I think come to the opinion that now we will get justice, and we thank you for whatever way you deal with us, and we have complete confidence in your hearing us, and thank you.

Mr. McKAY: Mr. Chairman, may we have as an appendage to this brief a statement by Mr. Murchison as to what relatively were the terms of the contract of the old soldier settlement board. Some of us are not familiar with that. I think it should be shown as a matter of record. Were there any gifts involved at that time when the settlement was completed, such as there are to-day under the new Veterans' Land Act, or was it just a straight contract? We would like to have that for the record. We think it is very important.

The ACTING CHAIRMAN: At the last meeting I think you will recall that Mr. Murchison filed considerable material which probably was on your desk this morning in the latest report. It was submitted last Thursday, as a matter of fact; but he has just reminded me of it. I do not think the original contract is there, but the essential material is.

Mr. MURCHISON: Mr. Chairman, I think I could answer that very briefly, if you would wish me to.

The ACTING CHAIRMAN: Yes, do that, please.

Mr. MURCHISON: Under the original terms of the Act there were two forms of contract; one related to land and improvements, and the other related to live stock and farm equipment. The terms on the land and permanent



improvements were twenty-five years with interest of five per cent amortized. The terms on the stock and equipment were, if my memory serves me right, for five years. It was determined in 1921, due to the serious collapse of prices, that the terms of these stock and equipment agreements were quite impossible of fulfillment, and action was taken by the government of that day to merge the stocks and equipment agreement with the land agreement and spread them over the next term of twenty-five years; and at the same time an interest remission was granted from two to four years depending upon the date on which the veteran was established. That is, if he had been established prior to—if my memory is right—November 1, 1919, he was granted an interest remission of four years on his total debt; and if he were established between that date and October 1, 1921, he was given a two year remission on his full debt. But that in outline is the terms of the original agreement. It is true that provision was in the Act for a penalty rate of interest of seven per cent on arrears; certainly that was oppressive had it ever been enforced to any considerable degree. But when the members of this committee take the time to go down the list of the various adjustments which have been made in these contracts over the past twenty-six years they will find that the revisions, either by way of revaluation of live stock and equipment which was done in 1925—forty per cent of the original cost was written off in some cases and twenty per cent in others, depending on the date of purchase; and then, in 1926 we had a land revaluation under which land which had been purchased was revalued and a considerable amount of the capital cost absorbed by the Dominion of Canada. Then in 1930, I think the most serious collapse we have had occurred. The government of that day applied a thirty per cent horizontal reduction to the debts of all soldier settlers of record, whether they were in good position or bad position; there was a thirty per cent write-off then. I do not want to take up the time of the committee, Mr. Chairman, tracing these things ever since 1930 to date. I am not putting them forward as an argument; rather as merely a matter of record—they are already on the record, as a matter of fact—but taken together they involve a very considerable amount of money saved the soldier settler. There was some mention of excessive administrative costs; I do not think I need mention that here.

The ACTING CHAIRMAN: No. Now, gentlemen, Mr. Baker has something he wanted to say in support of the brief.

Mr. H. C. BAKER, called.

Mr. BAKER: Mr. Chairman and gentlemen, I think perhaps I can answer some of the questions that you have in your minds now, following up what Mr. Sibley and Mr. Murchison have said. When I have finished Mr. Thompson will have a clear case which bears on the situation; then, after that, if you wish to ask any questions we will do our best to answer them.

First, let me thank you for receiving us today. In a world where dictatorship has been on the rampage, and in which it still is on the rampage in certain places, and remembering the kind of dictatorship that we as settlers have had to put up with during the last twenty-six years, I tell you that to be received here by our duly elected representatives is like a breath of fresh air. I tell you, Mr. Chairman and gentlemen, it is decidedly refreshing, and we thank you very much for the way in which you are receiving us.

You will notice that in the first part of this brief we compare the treatment accorded the soldier settlement board staff with that accorded to soldier settlers. In spite of what you have heard to the contrary as to the character of soldier settlers in general, let me point out that had it not been for the tenacity and courage and stick-to-itiveness shown on the part of the soldier settlers who have carried on from the commencement under the operation of the Soldier Settlement Act, from the time when it was first brought into force

until now, there would have been no need for a Soldier Settlement Board staff. If there is any credit accruing, it is to the soldier settlers themselves. It is we who have made it possible for that staff to receive what they have received. Had we quit back there in 1921 or 1922—as a good many did—and entered into civilian life, I assure you we would all have been much better off. But owing to the fact that we stayed with it, you have a Soldier Settlement Board staff. That is why we ask you to compare the treatment accorded us with the treatment accorded them.

Another mistake that seems to be in the minds of a good many is that the soldier settler merely put down his 10 per cent of the purchase price of the land when he started in. Gentlemen, this is a grave error—a very grave error. We gave the Soldier Settlement Board a first mortgage on any lands we held prior to the war. We gave them a mortgage. We handed over as collateral our livestock. We put into that farm not only our own savings which we had accumulated from the time we were very young men, but we put into those homes and farms the savings of our wives; and I think I am safe in saying that very few of us who stayed with it for 25 years actually put into those farms less than \$1,000, and in some cases it was nearer \$2,000. In other cases it was a good deal more than that, because men gave their land as first security to the board and then took out a loan much smaller in value than the land itself.

Allow me to mention the part played by our wives. As we come to you here, we are just men; but I assure you that the part our wives have played during the last 25 years and the suffering they have gone through will hardly bear analysis. We have paid you when we could, but it has been done by continual scraping and scraping. Our wives have had to do without proper clothing. They have not felt that they could mingle with society as could the wives of soldiers who have been in lucrative positions. Our children have had to do without proper clothing. The wife, the children and the man have had to do without proper medical attention. It has always been a case of scrape, scrape, scrape. Then when we had handed over all we could to the Soldier Settlement Board, in most cases we would get a letter back saying, "Well, we do not think you have done as well as you might have done." I tell you, gentlemen, that the only break, real break, that most of the wives of the soldier settlers have known is a breakdown in health; and the only prospect most of them have for a real rest, unless something drastic is done, is in the graveyard. I am not exaggerating, and any one of you men who cares to come and investigate the conditions of health among the soldier settlers' wives can do so. I will take you there myself.

Then there is the quit claim policy. Gentlemen, what do you think we are? You know right well that we were the men who never quit. You know right well that at the time the Germans broke through in 1918, when our headquarters did not even know where the Germans were, we were rushed up there; we were spread out. At that time there were not enough of us to man a line in a continuous line as we are here today; we had just enough men to have patrols between outposts, and not one man ever thought of quitting. Where would this country have been had that been our policy, had we been quitters? And yet when we have been pressed the hardest, that is the thing that has been put before our noses—the quit claim. Is that any kind of instrument to put in front of one who never quits? I tell you, it is scandalous that such a thing as the quit claim should be put before the nose of a fighting man.

Then there is our age and physical condition. You have not quite a sample of those ages as they really are today. Mr. Sibley is 69, Mr. Thompson 60 and I, myself, am 62; but there are many whom I should have liked to bring down here today, who are grey-haired men, white-haired men. And such a thing as asking them to pay for another 10 or 20 years is simply stupid. But there is our physical condition. We do not want your pity. We do not want pity. We are not that kind of men. But what I should like you to realize is that



there is the stark fact that we men have to face as to our physical condition. We do not pity ourselves, but we have to face it as a hard fact. The majority of us who are still on the land were in fighting battalions; and gentlemen, you cannot be in a fighting battalion and stay in there day after day, week after week, month after month, up to 18 months as some of us have done in the line, without undergoing the most severe bombardment. They had to suck it in. There were places along those canals where you just simply had to suck it in. You could not do anything else. Then there were trench fevers, pleurisy and things like that. We did not come out of the line for a lot of that stuff. We simply stayed with it, and if we got over it we got over it, and we got out.

We have not applied to your medical clinics for help along that line. We know it is useless. But gentlemen, here is the thing. We are not in as good shape, generally speaking, as civilians ten years older. On our farms we have had to work on an average, during the summer months, about 16 hours a day, and we have had to work under high pressure. We have had to clear the land. Many of us had to clear 80 acres. We had to pick rock and the rest of it, and it has only been brought under cultivation by strenuous hard work; and this has had its effect. We cannot do those 16-hour days at the same pace that we did. It is hopeless. The spirit is willing but the flesh will not allow us. Then when we go to our local doctor and tell him about it, he says, "Well, I can't do anything about it. All you can do is to let up on it, do light work and don't go at it so hard." Gentlemen, we just simply have to stay with it if we are going to make the payments. We have got to make them as long as we live, apparently, and the only way that can be done is by strenuous hard work. That is the position as far as our physical condition is concerned. But mind you, as I said before, we do not want pity. We want you to face as a hard fact the condition, as we had to do.

Mention was made here about the remissions that had been made to the soldier settlers at different periods during the life of this contract. True, they have been made; and perhaps few of us could have kept alive had they not been made. But had they been kept on, had they not been made, our position would have been that much more impossible.

Then there was mention of revaluation of that land. Gentlemen, who did the revaluing of that land? At present when land is revalued, if I am correct,—and I stand to be corrected if I am wrong—in our districts when the municipality finds itself in the position of having to take over that land, it is done by an inspector for the land utility board, I think they call it. The land is taken over by the P.F.R.A., used for pasture and kept out of production of grain crops. In our district, and I believe our district is within this triangle you were talking about, the land at the time it was revalued was not valued from the same viewpoint as it is valued today. When that land is revalued today we find that the values placed on that land are far, far below the values placed on it when it was revalued for the soldier settlers. In our district land similar to that which was taken up by many of the soldier settlers is considered by our own government inspectors to be much less in value. I happen to know this because I am, if you will pardon the subjective expression, a councillor for our own municipality in the particular district in which I live. Land similar to that sold to the soldier settlers has been taken out and handed over to the P.F.R.A., and that land has been valued at \$2 an acre.

Now, there is land in my division and just outside of it, which has been taken back by the board, land which was sold to the settler for between \$3,000 and \$4,000 and it has been sold to the general public, those who would put up the bids, for a price from \$1,400 a quarter down. I say this because the man who bought the land, whose bid was accepted has told our local branch of this association that he is ready to take his oath that his bid of \$1— for a quarter section was accepted. True, there was a certain amount of money had to be paid for the land, about \$25 or \$30 and some back taxes; but on that



land that fall he says there was about 600 bushels of wheat. So that is how it was. So that you see, that land was never revalued at the figure it should have been valued at when it was handed to the soldier settler. There was one man, a neighbour of mine, who bought a half-section. I do not want to mention his name.—I do not want to make any bad friends at home,—but you can have it in private if you want it. I do not suppose he would object. He bought half a section of that land and when I questioned him as to what he paid for it, and I told him that I thought the soldier settler himself should have got the half-section at that price, that he should have been allowed to put in his bid, he said, "Well, that is true. Probably if the soldier settler had got that half-section at the price that I did, he would have been able to pay for it." There is another quarter down there where the soldier settler was supposed to have been charged \$3,000 and \$4,000. It was sold for \$1,400. Another farmer told me, "I paid \$1,400 for that. The board charged the man \$4,000. The man could not make it go and they handed it over to a Britisher under the family settlement scheme. He could not make it go and I put in my bid. I figured it was worth no more than \$1,400, and that is what I got it for." I am not blaming the present administration for this; I am just taking the facts as they are. We have had experience since then. We can look at this in a saner light now. Had that quarter-section been sold to the soldier settler in the first place for \$1,400, he probably could have made a go of it. Had it been revalued at the time of the revaluation at \$1,400, he probably could have made a go of it. But the fact is that it was not.

I think that is all I wish to say at the moment. But if there are any questions which you would like to ask us, after Mr. Thompson has stated his case and shows how it bears on this brief, we will all be only too willing to answer them. I thank you very much.

Mr. McKAY: I would like to ask about the 7 per cent compound interest charged in arrears. Was there ever any attempt made to have a reduction of that rate?

The WITNESS: Yes, there was a reduction made in the matter of the 7 per cent compound interest, that is, the interest on arrears. I could not give you the date, but I think it was reduced to 6 per cent at the time of the revaluation of stock and equipment, that is, the reduction of 40 per cent. I could have brought along my own mortgages to give you that if I had thought the question would be asked.

Any payments you made were first applied to the interest and not to the principal; so no matter what a man paid, that is, if he paid to the fullest extent of his income, it was applied on the interest, and it did not help him out very much.

There was one case we had brought to our attention, where, after the war broke out, one of the soldiers had his wife's allowance deducted to an amount which he stated was around \$400 for a particular year. That \$400 was applied on the interest owing, and it did not help out his loan at all. Does that answer your question?

Mr. McKAY: Yes, it does.

Mr. WINKLER: Did the Farmers Creditors Arrangements Act apply?

The WITNESS: Yes, it did; but, when we went before that Farmers Creditors Arrangements Act, usually the board's proposition was accepted and not ours. So, when it came to actually paying the value for the land that the ordinary farmer would have paid, that is what he would consider. The actual value, the values in the district did not apply. I was there myself and I think there was some reduction, but it did not have the bearing on the case that it should have done. In our opinion, it should have gone something like this: what is the actual value of that land?

Mr. WINKLER: Well, in your opinion then, the soldier settlers did not get as good a break as they should?

The WITNESS: No, I do not think so. In one case a civilian took over a soldier settler squatter and then he walked out. All he had to pay was \$1,400. But the judge did not do that for us.

Mr. McKAY: You were paying at the inception of this scheme 5 per cent of the original contract?

The WITNESS: Yes.

Mr. McKAY: Has there ever been any contemplated reduction on that? What are you paying at the present moment?

The WITNESS: I think there has been an Order in Council passed but really it has not been put into practice yet. I think they have reduced it to  $3\frac{1}{2}$  per cent.

Mr. McKAY: But what are you paying in practice?

The ACTING CHAIRMAN:  $3\frac{1}{2}$  per cent. It is in the minutes.

Mr. McKAY: The same as under the Veterans Land Act?

The ACTING CHAIRMAN: Yes.

Mr. R. W. THOMPSON, member of executive, Soldier Settler Association, called:

The WITNESS: Gentlemen, I should again like to thank you very briefly for your consideration in receiving us here today to state our case again. I shall outline my own case for you and I shall not take up too much of your time. I think that would be the best comment I could make on the foregoing, to quote just my own case.

In 1920 I was established on my farm, a half-section of heavy bush land. I was assured by the soldiers settlers authorities at that time that adequate loans would be forthcoming in my case to enable me to do the clearing, to clear an adequate amount of land, to start me off with some reasonable prospects of enabling me to meet my payments. But after I got on that land, those loans simply did not materialize. I did not get anything. I applied again and again for loans for this purpose. I was in such a financial position that I could not cope with a lot of heavy bush land to meet the payments. Still, nothing was done.

I did all I could. I built a new house; I did a considerable amount of work on the soil and I crossed fences, and I cleared 150 acres of land over a period of years. In all, I paid \$5,500 of my own money on that place.

In 1945, when I found it impossible to carry on any longer, the Soldiers Settlement Board sold this land again, under the Veterans Lands Act with all my improvements on it, for \$10 an acre; \$3,200.

In 1943 I was badly in arrears with the board, because of my wife's illness extending over three years. They pressed me to sign a quit-claim. I had a small legacy from home at that time to help me out with the general position, and I offered the soldiers settlement \$200 in cash in addition to \$20 a month out of my pension, to apply on the land.

My land had been revalued down to \$2,900. That payment of \$20 alone amounted—it would have cleared up all my arrears and the payments within the contract time—but it was reduced and no explanation was ever given. I was simply informed that my offer was not acceptable. I was requested to sign a quit-claim and I was given ten days to say whether I would accept that ruling or whether I would contest the board's action in trying to get the contract cancelled.

It was then that I wrote again to them, for I had no wish to sign a quit-claim. I offered them \$200 cash besides this \$20 a month. That, also, was refused and no explanation was given. The board repeated that I sign a

quit-claim and again I received ten days in which to say whether I would contest any action they might take to cancel my contract. I still did not wish to sign a quit-claim and I offered the soldiers settlement \$400 in cash. That offer was accepted upon condition that I would give the soldiers settlement an assignment of my pension here in Ottawa for \$20 a month. That I refused to do. I did not think they had any right to ask me to do that, so I refused.

Then, I reviewed the whole situation again and I came to the conclusion that, as my children were now of high school age that I could not educate them as well as pay all the expenses of the board, and that I had better get out. I had 50 per cent disability myself, so I was able to carry on without any help during the war.

In 1943 I signed a quit-claim and got out. That has been my history with the soldiers' settlement. I believe there are a lot of cases exactly the same. I simply want to place these facts before you, gentlemen, because I think this committee is the place where these facts should come out. That is the kind of deal that I got. I am not prepared to go any further than that. I just want to back up what these two colleagues of mine have been saying. I think that is a very fair illustration of the general condition. I thank you very much, gentlemen. That is about all I can say at the present.

Mr. CRUICKSHANK: I would like to ask you one question, Mr. Chairman.

The ACTING CHAIRMAN: All right, George.

Mr. CRUICKSHANK: Have arrangements been made to pay these delegates' expenses?

Mr. Ross: Mr. Sibley, in his brief, stated that:—

It was during this period that the dollar for dollar bonus scheme came into existence which only applied to arrears which consisted largely of accumulated interest. This by the way was not only for bona fide veterans, but for all those farming under the Soldiers Settlement Board, and many purchasers were ex-German soldiers who had fought against us and yet received the same help.

I wonder if he would elaborate on that. Does he mean that that was land which the board had received on quit-claims and then resold to other people. Is that the case?

Mr. SIBLEY: That is our general opinion. Of course, I have no proof that that was done, but I have my opinion, myself, still, that those people who fell into the places, or bought them after our men vacated them, were treated just the same as the soldier settlers and received the advantage of that bonus. I may be wrong but I believe it to be the truth. That is all.

Mr. Ross (*Souris*): Mr. Chairman, I think that is a point which we should really have cleared up, because it does not seem very fair. I am thinking now of some of Mr. Baker's examples, as well as a similar case I know of myself, and I want to warn Mr. Murchison about it. I am thinking of the case of a settler in my own local community who, through those drought years did sign a quit-claim deed for a half-section. It was very poor land to begin with. Then, when things started to come back, the board had sold the farm to a speculator—at least, he is not a farm operator—for, I think, but I am not sure, but I know it was not over 10 per cent of the original purchase price of the veteran settler, and was probably considerably less.

That man, in turn, today is trying to resell it to this board for new settlers. I think that is something that should be guarded against, and I want to take it up with Mr. Murchison myself. I do not want the names in the record.



I think there may be justification in some of those claims. I do know that, in certain circumstances, it was impossible for all of these people to make good.

Mr. SIBLEY: I remember the original source of my information in that particular case. It was a Scotch couple. The fellow belonged to a highland battalion of the 1st division. His name was Davidson. He married a Scotch girl and came out here. But in 1920 as far as I can remember, he gave them a quit-claim, and pulled out for Scotland. His wife told us, and the fellow told me personally, that the thing that hurt them most was: that the German settlers that were living around there that got their land, received that bonus and any reward we should have received. Now, as to the dates, I may be wrong. My memory is going. I am too old to keep a good memory; but it was in the time of the bonus scheme that he left for Scotland.

Mr. ROSS: I think Mr. Murchison should answer this, very readily. It is simply, in broad principle, whether: when a farmer or a soldier settler had given a quit-claim deed, and the land was sold to a German settler, did they receive the same broad deal as did the original settler?

Mr. HARKNESS: I, too, have heard a considerable number of complaints along that line, such as we have heard here: that soldier settlers were more or less forced to sign quit-claims and were more or less affected. This land was sold for 10, 15, or 20 per cent of the amount the soldier owed on it to anyone who had the money to put up.

Could Mr. Murchison give us what the general policy and practice of the board was in connection with that land, with land of that sort, right through?

Mr. MURCHISON: First, Mr. Chairman, might I just refer to what is known as the dollar for dollar bonus. I am speaking from memory because there are a few details of these things that I do not carry readily in my mind; but, according to my best recollection this dollar for dollar bonus arrangement was brought into effect in 1932, and it continued for a matter of about seven years. It was not something that was unique only to soldiers settlement. I know that a number of corporate lending agencies in western Canada followed the same practice during those very grim years in western Canada between 1930 and 1938 when they allowed a credit of \$2 for every \$1 that was paid. So far as soldiers settlement is concerned it applied across the boards to all our accounts but only as to the amount in arrears or the current annual instalment. That is to say, if a man had a total indebtedness under his contract of \$2,000, a great part of which had not yet matured, he could not come in, pay \$1,000 and discharge his indebtedness. It applied only to the current instalment due or the arrears. That is my recollection of the dollar for dollar bonus.

While it was in effect it simply meant that if wheat was selling currently at 60 cents a bushel it was worth \$1.20 a bushel so far as the veteran's due payment or arrears were concerned. It did not fulfil the purpose for which it was devised in a great many cases. The administration recognized right from the start that it could only be effective if the debtor himself had the necessary money to take advantage of it. If his income from all sources was so low that it was all required for his operating and living expenses clearly he had no money with which to make a payment under that system. That is one of the reasons why it was so essential that soldier settlers be given the advantages of the Farmers Creditors Arrangement Act which came into force in 1935. Whatever iniquities there may have been in connection with the dollar for dollar bonus plan certainly the great majority of them were adjusted by proposals formulated by the respective boards of review across the country.

Mr. GREEN: In effect under the dollar for dollar bonus scheme the veteran received no better treatment than a civilian who had taken over some other veteran's contract?

Mr. MURCHISON: No, because they were farming under precisely the same conditions. Here was a man on this farm who was indebted to a mort-

gage company or the Hudson's Bay Company or the C.N.R. He was receiving a credit of a dollar for every dollar he paid. Here was a civilian occupying a piece of land under a contract. He was farming under precisely the same conditions as the soldier settler who was in the same locality. As I recall it the whole idea of the dollar for dollar bonus was to provide an instrument which would restore to some point near parity or some reasonable figure the value of the product the man had to sell in order to meet his payments, whether he was a civilian or a soldier settler.

Mr. GREEN: It was not designed to help the veterans particularly?

Mr. MURCHISON: No, it was designed to meet a very bad situation that existed in agriculture at that time. As to the general policy with regard to the disposition of reverted lands we encountered quite a variety of conditions. We had lands reverting to us in certain parts of western Canada where due to climatic conditions or poor soil the returns were practically negligible. In 1930 or thereabouts the Soldier Settlement Act was amended which made these lands vulnerable to the local taxing authorities. That is to say, we must either pay the taxes or surrender the land, either one of the two. I can say to this committee quite frankly that we had lands here and there in the most seriously affected districts where returns were negligible under any kind of rental arrangement we could work out, but at the same time they were liable for taxation. We decided that as to the accumulation of real estate that we had on hand at the end of the very bad period around 1939 or 1940 action had to be taken to clean up this real estate account. Here were lands lying in a state of abandonment, many of them completely out of cultivation. Tenants could not be secured to operate them. Therefore we felt it was incumbent on us as administrators to start moving that land into the hands of people who would take care of it. That was done. We had some extreme cases where in preference to paying any more taxes on the land we donated it to the municipality. I make no bones about that statement. That actually happened in a limited number of cases.

As to resale or repurchase of some of these lands for use under the Veterans' Land Act I am glad that the member for Souris brought this up because that is one thing on which we are endeavouring to exercise the very greatest care. We have complete records of those lands, and we are constantly on our guard to see that we are not stepping in to purchase lands to-day which were the cause of a great many heartbreaks either to the soldier settler or to ourselves or both in years gone by.

All these things are carefully checked, and if there is that history we say, "No, we have had enough experience with that particular property." With regard to the unsold real estate we have on hand arising from soldier settlement operations I can assure this committee that the very greatest care is taken in seeing to it that those lands are not made available to veterans of this war unless they are of reasonably good quality.

In an occasional case we may do something like this. A quarter section of land we have on hand may be combined with another quarter section adjoining and close to it, and together they make a reasonable farm. By itself it is not a reasonably good farm and we decline to establish a veteran on it.

I do not think I can say anything more on that other than to emphasize again that the greatest care is being taken to avoid the sort of thing that the member for Souris mentioned.

Mr. HERRIDGE: I should like to ask Mr. Murchison a question. He mentioned that in some cases the land was actually donated to the municipality. Before doing that did they give the settler the option of receiving it? Did they offer it to him?



Mr. MURCHISON: In some parts of western Canada we had lands dropped on our hands by soldier settlers who originally secured them as homesteads or soldier grants. They were not always lands we purchased. They were lands that these boys got from the dominion land authorities as homesteads or soldier grants. When we came to dispose of them we found a great accumulation of taxes piled up on land that clearly was not suitable for resettlement. I can recall one municipality in Saskatchewan where seven of these reverted farms, most of which I think were former homesteads or soldier grants, were incorporated into a large community pasture set up under the P.F.R.A.

Now, I am not apologizing for those conditions, going back as they do to 1919 and 1920 when these boys filed homesteads, soldier grant entries on those lands. What was the alternative? Just to say, "No, your land is no good because it cost you nothing? We want you to leave that and come over here and buy another property at \$5,000 and put up some of your own money to do it". That would have been the situation. And I think probably some mistakes were made in making loans to veterans on the security of land of that kind. They did turn out as was expected, and as I say, in some cases they were disposed of at very low figures, or in the extreme case they were merely turned over to the municipality; and some of them, if I remember correctly, were turned into community pastures set up under the program of the Prairie Farm Rehabilitation Act.

Mr. QUELCH: Mr. Chairman, I want to deal with order-in-council 10472 in order to find out what the experience of the soldier settler has been under that order-in-council. That order-in-council was very largely the result of action taken by the special committee appointed in 1942 to deal with land settlement of veterans of the present war. I think there are only two members of that committee present here at the moment, although there were three or four others who are not here.

The question was asked a while ago about lands being resold after it had been taken back from the soldier settler. There is no doubt that is the policy of the Soldier Settlement Board, that when a man gives up a property because he is not able to carry it, then the Soldier Settlement Board resells that land, very often at a figure considerably below the amount at which it was sold to the soldier settler. I do not think we need to criticize the Soldier Settlement Board unduly. They had to do it that way, they could not have done it otherwise under the act. The only exception to that that I know of was in the case of a man who was married they might take a quit claim from the soldier settler and resell the property to his wife for a price below that at which it was originally purchased.

Now, in 1942, when the committee met to deal with this question, they recognized that the failure of the soldier settler to fulfill his obligation under the Act was due to circumstances generally speaking beyond his control, and in view of the fact that soldier settlers were supposed to be re-established in a period of twenty or twenty-five years, (many of them could not do so owing to conditions beyond their control), I say there is justification for the proposal which is before us here today. Under the present Veterans' Land Act we give the soldier settler an equity of twenty-five per cent in his land, and that with his cash payment brings it to thirty per cent. Then added to that he has the grant of \$1200 for building and equipment, and that brings his equity up to thirty-nine per cent on land and equipment.

Now, the Legion appeared before the committee in 1942 and they made a recommendation that the new Act be made applicable to the veterans of the last



war; that is, Section 9 should apply to the veterans of the last war. I would like to read from their brief—it will be found on page 158 of the Minutes of Proceedings (1942):—

The Legion, therefore, recommends that the principle contained in section 9, of the new bill, respecting the veteran's debt should, as far as possible, be applied to soldier settlers under the old Act, and that the director be given power to rewrite contracts accordingly.

I think it is only fair to say that that brief was generally endorsed by the committee. It was generally endorsed by the public, it was endorsed by the chairman and by myself and others—I think I can safely say by a majority of the members and, generally speaking, by the superintendent himself. I will quote what he said as it appears in the record of the committee of 1942 at page 167. We were dealing with the question of whether or not these men in the low categories would be able to repay their debt. This is what the superintendent said:—

That will not involve any great problem if you are agreed in the reduction of these accounts to a point where the reasonably efficient settler has his account adjusted to a basis comparable to the principle embodied in bill 65 where he is given an equity of 24 or 25 per cent in his land on the basis of present-day value.

Well, as you know, the committee made a recommendation that revaluation should take place and that the soldier be given an equity; and in view of the fact that the Legion recommended and the committee appeared to be in favour of the proposed new bill being applied to the old soldier settlers, I think that it was generally understood that that would be done; that he would be given an equity of at least twenty-five per cent. That was to have been taken care of in order-in-council P.C. 10472; we should keep that in mind, that these settlers were to be given an equity of at least twenty-five per cent in the value of their land; then, if you read the statement given to us by Mr. Murchison on May 2nd, you find a very peculiar situation. I may say that I was very disappointed to find the condition of the soldier settler in the low categories no better than was indicated to us by Mr. Murchison on May 2nd. I say that for this reason, that in his statement on page 312 you will find that there were 1,446 settlers (Grade 2) with an average equity of 30 per cent; 518 settlers (Grade 3) with an equity of 14 per cent; and 203 settlers (Grade 4) where no equity has been established on the basis of the 1941-42 value; so that apparently 518 settlers failed to acquire the equity of twenty-five per cent which was intended under that order-in-council. We also see that we have only 1,446 settlers at the present time who have an average equity of thirty per cent, who come within the average contemplated by the order-in-council. So we now have a situation where in spite of the fact that land prices are high and crops are good these settlers have not been able to increase their equity by more than one and one-half per cent during the war years; and if it has only been possible for them to increase their equity at the rate of one and one-half per cent, how long is it going to take them to acquire the balance of the seventy per cent equity. It will never be done by many of them under the present arrangement, a twenty year agreement; it would take fifty (50) years at present prices and under present conditions for them to do that. If we were to have conditions the same as applied before the war the majority of these settlers would never be able to pay off their debts. I made that observation in 1942; and, since then of course prices have improved; and I will say that a number have been able to make better payments because of order-in-council 10472, which gives them an increase in equity.

The Acting CHAIRMAN: Mr. Quelch, you are referring to P.C. 10472 dated 19th November, 1942?

Mr. QUELCH: Yes.

The Acting CHAIRMAN: I see no reference there to twenty-five per cent equity.

Mr. QUELCH: No.

The ACTING CHAIRMAN: Not in that order.

Mr. QUELCH: That is true. Perhaps I had better read the recommendation of the committee upon which that order in council was passed. They did not mention the 25 per cent. That would be governed by section 9 of the Veterans' Land Act and the fact that the discussions of the committee showed that the committee favoured making that section applicable to the old soldier settlers; also that the superintendent of the board favoured the idea. Perhaps I had better read what the chairman had to say about it (that will be found on page 162 of the report of 1942):—

But personally, after listening to the brief filed by the Legion, I feel it presents the views of the majority of the men of this committee as expressed during the past day or two; and I would be very much in favour of the adoption of the recommendations of the Legion, perhaps with a few changes.

At that time we were discussing bill 65. I think also, when the recommendation was made, it was taken for granted that that was what the government intended to do; and this was not the only recommendation of the committee, it is not limited to the 25 per cent of the amount of the land. The recommendation to which I refer will be found in the Minutes of Proceedings July 4, 1942, at the bottom of page 111, reading as follows:—

3. The Minister may with the approval of the Governor in Council appoint a committee of not more than three members to be known as the Adjustment Committee at such rate of remuneration as the Governor in Council may fix and allow for a period of not more than twelve months with powers to review and confirm or reduce the indebtedness of soldier settlers whose agreements with the Director of Soldier Settlement were the subjects of proposals formulated under the provisions of the Farmers' Creditors Arrangement Act prior to October 1, 1939, or in the case of such other soldier settler as may be recommended by the Director, with the objective if feasible and practical, of establishing an equity for the settler; provided that the settler is in personal occupation of the land and that such agreements have not been terminated, rescinded or assigned.

That merely states that they should be given an equity at the discretion of the authority as therein set out, and it was generally understood that that equity would be in lieu of and in line with the provisions of the equity provided for under the Veteran's Land Act. And so I point out that if that order in council was intended to carry out the intentions of the committee and actually did so, then we have a peculiar situation where we have 2,000 of the old soldier settlers after four years of good prices with no increase in equity beyond that figure. In future years quite a number of them will have very little of any chance of meeting their obligations, that is those still in these categories.

I know a good deal has been said about the fact that settlers have not been able to make very large payments during the war. Mr. Murchison referred to that in his statement on the 2nd of May, and I want to remind you of what the Minister of Agriculture said in the House regarding farmers debts when we were discussing the increases in the price of farm machinery. He pointed out it was not so much a question of what they had been able to pay, it was more a question of how much they still owed. The Minister pointed out that they had paid back \$102,000,000 of the \$168,000,000 which they owed; and he said, that is a partial job well done." (That will be found at the top of page 932



of Hansard). And he continues, "any man or any group of men which still owes any debt, particularly a group owing \$63,000,000 to thirty mortgage companies is not yet well off."

What do we find is the situation with regard to the soldier settler? We find that we have 4,276 settlers still owing \$5,000,000, and of that number approximately 2,000 have 30 per cent or less real equity in their places; and that apparently is after having been given an equity of twenty-five per cent. What hope have they for the future when they have only been able to augment their equity at the rate of one and a half per cent a year, and that during a period when prices were good? I think we may as well realize this is a fact, that those settlers to-day are not in a favourable position. Many of them are in advancing years, being around age fifty-five or more. What hopes have they of paying off their indebtedness when they are barely holding their own? We know what their economic conditions are to-day, we know what the situation is with regard to farm machinery. We know that it is not easy to buy machinery, and I think you will find that in the case of the majority of these old settlers their farm machinery is practically worn out; and prices being what they are to-day, how much money are they going to need to put their farms back into a real working condition and in order to buy machinery when the price of a tractor is \$1,800, and a combine is over \$2,000. Having in mind the general run-down condition of their farms I think it is only fair to suggest that those in the low category have little chance of ever paying off their debts to the Soldier Settlement Board. Those are things that I think we should keep in mind. Therefore I feel that this committee has still a job on its hands to deal with that problem. That problem has not yet been met.

Mr. BENTLEY: Mr. Chairman, Mr. Quelch has dealt with exactly the same thing that I was going to deal with. There is no use my repeating it just to have it in other words. There are one or two things that I think I should like to mention here. He brought out the point that, in the matter of these quit-claim deeds for repossessed lands from the soldier settlers, the lands were sold to other people at a considerably reduced price and that the Soldier Settlement Board, unless they offer to resell to the wife of the soldier settler, were not empowered by the Act to make a new contract with him. I remember days past when that was going on and I remember a considerable amount of public controversy at that time over this, and I do not remember a single instance where the administration of the Soldier Settlement Act asked for an amendment to their Act to permit them to do this. It seems utterly unfair that some effort was not made at that time to see that the soldier settler who, because of circumstances that have been described many times to this committee in the past and again to-day, was unable to fulfil his contract should not have had to retire from that and lose all the years and money that he had put into it, and then find that some other person received the land at a price where he could actually make farming on it a profitable operation.

I think the committee should know that because I remember no instance—and Mr. Murchison can correct me if I am wrong—where he or his administration or anyone else actually asked to have this Soldier Settlement Act amended so that this could take place. If it had taken place I am quite sure that a great deal of the trouble that we are facing now would not have been caused; but it did not take place. Like Mr. Quelch, I believe that the representations made by this delegation are proper representations and should be endorsed by this committee.

There is one question I want to ask the delegation before I sit down. Before I ask the question I will just mention what has been told to us on frequent occasions, and that is that if the present soldier settlers who are still in debt to the board were to be granted clear title to their land, it would raise a storm of controversy on the part of those who have already paid their debts



to the board. I presume your association has made some enquiries and some survey with regard to this, and I should like to know what your opinion is, based on your investigation of that question. What will the soldier settlers in your neighbourhood, who have paid their debts, be likely to say if this were to take place? We have been told that is one reason why it cannot be done.

Mr. BAKER: Mr. Chairman and gentlemen, I think that is a wrong supposition. We have found that those men who quit or who were evicted quite some years ago, when the majority of them were put out, established themselves and they have made far better in those civilian jobs than they would have done on the farms. During what we choose to call the "hungry thirties"—

The Acting CHAIRMAN: I think you misunderstood Mr. Bentley's question, Mr. Baker.

Mr. BENTLEY: I think he will likely get to it, Mr. Chairman.

The Acting CHAIRMAN: All right.

Mr. BAKER: During those hungry thirties there was pressure being placed on our soldier organizations to have those in such places as post offices and civilian jobs, who were getting as much as a 50 per cent pension, removed and to put in their place those who could not make their farms go and those who had neither jobs nor farms. We were specifically requested by the soldiers organizations not to look at it in that way, but to allow those men to have both their pension and the job that they could handle, that it would make no one's condition any better to remove them. So we agreed to that. We have found that most of those men are quite well pleased to be off their land and have the jobs they have. They feel that it is too late for anything like that to do them any good, and they do not object. There are very few who have paid, when you note that there are only about 4,000 scattered all over this whole dominion; and those we have interviewed are satisfied that we should have our titles if only the government will give them to us.

Mr. BENTLEY: Those who have their contracts paid off are not going to complain?

Mr. BAKER: No. I doubt if you will have any complaint.

Mr. BENTLEY: That is the particular point I wanted to get at.

Mr. GREEN: Mr. Baker, in your brief you asked for clear title to be given to soldier settlers who have not yet paid up?

Mr. BAKER: Yes.

Mr. GREEN: What would be your next suggestion if that were not granted? Have you any other recommendation to the committee in the event that this clear title suggestion is not accepted?

Mr. BAKER: Well, owing to the physical condition of these men and their age, we fail to see how anything else will work, because they cannot be trained like these young men.

Mr. GREEN: No. I am asking what is your second best solution for the difficulty, or have you got any?

Mr. BAKER: No. That is the only recommendation we have been authorized to make.

Mr. QUELCH: Is it not true that you feel that had the principles of the new Act been applied to the soldier settlers in 1919, we would not have this problem today?

Mr. BAKER: No, I do not see how you could.

The Acting CHAIRMAN: The answer is this. I do not like saying this, as only you and Mr. Ross were here then; but with the added wisdom gained, we have added much to the new Act.

Mr. QUELCH: Yes, undoubtedly.

The ACTING CHAIRMAN: That is the point.

Mr. BENTLEY: I suppose the delegation would be willing to pay \$1 for a clear title?

Mr. BAKER: We would be willing to do that.

Mr. GILLIS: Mr. Murchison, I wonder if you would care to comment on this case of Mr. Thompson's. Can the board justify itself in that connection?

Mr. MURCHISON: I have some recollection of Mr. Thompson's circumstances; and, far be it from me to appear before this committee and make any acrimonious statements, whatsoever.

Mr. Thompson was in difficulties with his farm due to circumstances quite beyond his power to cope with. We realized that. In my treatment of that particular case, it was brought to my notice by a certain barrister in Lloydminster, who was also a veteran and who, at one time, was the chief solicitor for Soldiers Settlement, and knew all about our past as well as existing administrative policies.

Certain proposals were put forward on behalf of Mr. Thompson and it was my view that because of the position he was in physically with the problems staring him in the face, that he would be unwise, in his own interests as well as in the interests of his family, to invest any more money in it, unless he could clearly see where he could ultimately obtain ownership of the property. I cannot remember all the details. There was a good deal of correspondence but that was the basis of my whole approach to that particular case. I was trying to be helpful to a veteran who was in difficult circumstances.

Mr. Thompson is in receipt of a modest war pension, I think. I even thought that a practical solution in that case might be arranged with him whereby he might retain his home on that property together with a reasonable part of the farm. I think there were 320 acres in that farm, of which only about 30 per cent altogether had ever been developed; and I thought if we could agree to his retaining a reasonable portion of that farm together with his home, more or less on a nominal basis where he could continue to live in security for the rest of his life, he could turn the rest of his farm in to some one who could operate and develop it, and that, I thought, would be a sensible solution. I felt we were close to an agreement on that, but then I was suddenly advised that Mr. Thompson had purchased a home in Lloydminster and had decided to give up the case.

I would assure the committee that there was no pressure exercised by me on Mr. Thompson or on any other veteran in similar circumstances to abandon something that held any hope whatever of his ultimate ownership.

Mr. GILLIS: The proposal that he retain a portion of the land and his home, was that proposal made to him?

Mr. MURCHISON: Yes.

Mr. ASHBY: In listening to this discussion, Mr. Chairman, there is recalled to my mind my own particular case. I took up land under the Soldiers Settlement Board. Now, I did have money of my own, and my wife had money. I had studied agriculture at Macdonald College. In fact, I was retained, immediately after the war, and until I bought this farm, at a very good salary; as a lecturer in agriculture. But what I wanted was what all those boys wanted, a farm and home of my own.

And here was an opportunity for me, a so-called well-trained agriculturist, to demonstrate that a man could take up a farm under the Soldiers Settlement Board and pay for it. But I found it was an utter impossibility in the majority of cases.

There was a man I know who took up land. He burned off the whole thing; then he got it ploughed and seeded, and got a good crop and made his payments and became known as a master farmer. But a man who practices agriculture

like that, to my mind, is no master farmer but a soil robber. Such a man will burn off his land every Spring. He will burn the whole of the straw of his land which, of course, enables the sun to get at the soil a great deal sooner, thus warming it up; and he will get a crop. But, sooner or later he will leave that farm and go to an entirely new farm. He will be known as a prosperous farmer. But I know of two instances of master farmers who have sold off their farms and bought new land again and settled in another area.

I have a good farm with good soil. I looked into it when I was in the University of Alberta. I said: that is my farm and that is my home. We will go there and work and sweat and toil and make sacrifices, because there is no home on it as yet. At first we occupied a little shack which you may see if you will look at the pictures here. We took over this little shack in February and there were some stray cattle in it. There were only three sides to the shack so we built up the fourth side and added a little bit to it. I said to my wife: we will prove that you can make a success of it. So, we cleared the land, and the soil is just as good to-day; but at that time it required much time, effort and labour. I spent at least \$75 per acre on that land in order to get it cleared of the heavy bush and to get the roots pulled out and the land prepared before we could ever get any crop in. Finally we did put in a crop, but it froze. We did not, mind you, get in our crop for three solid years, for it took us three years to prepare that land for a crop; and when we did get in a crop, the crop froze. We worked too hard.

I just got a letter from my wife, only yesterday, and she told me that the boys are working in the fields from 5 a.m. until 9 p.m., that is 16 hours a day. They are my own boys, and they are only 19 and 21 years of age. Then, the girls take over the tractors and operate them all night long. Yes, she said those tractors never stop except for gasoline and oil.

(Discussion continued off the record).

The ACTING CHAIRMAN: We are getting close to the time when we should adjourn. Mr. Baker, there is one observation I should like to make on your brief. One clause of it reads:

The average cost of the administration has, as we have mentioned before, been approximately eleven hundred thousands of dollars per annum.

I do not think you would want the committee to have that impression. At page 55 of our proceedings in the minutes of the interdepartmental committee they say that the present annual cost of administration of Soldier Settlement is \$135,000.

Mr. FAIR: In reply to that, figures given to the House in a return brought down showed that up to the end of 1944 the cost of administration of the Soldiers Settlement scheme alone amounted to \$27,340,763.64. The figure shown in the brief is the average annual coast.

The ACTING CHAIRMAN: All right. In addition to that there is a further statement in the brief which reads:

Seeing that a large number of soldier settlers are now nearing 70 years of age, and so on.

The report of the interdepartmental committee indicates that the average age is 56½ years. I merely point these things out. There is one point with reference to your statement, Mr. Quelch, as to equities. Valuations were on the basis of 1940 and 1941 rather than on present day land values. I did not think that was clear at the time. Mr. Sibley has some pictures here which I think all of you ought to see and he has a few words to say about them.



Mr. FAIR: Before proceeding with that may I have one more word? I should like to point out that the average credit extended to the old soldier settler was \$4,358.40. That is the average. At the end of March, 1944, these old settlers still owed an average of \$1,254 which is equal to 29 per cent of the original credit extended. As was pointed out by Mr. Quelch a little while ago, under the new Veterans' Land Act veterans are getting a grant of 39 per cent of their original credit. The total amount owed by the old veterans at the end of March, 1944, amounted to \$7,715,954.01, which is less than half the cost of a day's war expenditure.

It has been pointed out that land prices, stock prices, and so forth are higher. I think the illustration given by Mr. Thompson will bear that out. The number of quit-claims between 1930 and 1942 is 1,006. Again we have almost 1,000 old settlers who were served with 30-day notices to get out. I do not think we should let that occur again.

Then the argument has been brought up that some of the old settlers who have paid up will object. I do not think you will find this. Then it has been said that if the old veterans get their titles, the remaining few, as at the end of March 1944, that the new veterans will also sit back and ask for a clear title. I do not think you will have that. I do not think that conditions will be permitted to exist again in this country that have existed between 1919 and 1944. Again I ask that we forget that we are Liberals, Conservatives, Socialists, Social Crediters, or anything else. All of these men for whom we are speaking here to-day went over as Canadians and fought. There was no holding back. They offered everything. Let us do our share, and grant clear titles as of March 31, 1944.

The ACTING CHAIRMAN: Mr. Sibley, have you some pictures?

Mr. SIBLEY: Thank you, Mr. Chairman. These pictures which I brought down with me were taken at a place in Alberta east of Drumheller in an area of approximately 18,000 acres. It was originally known as the Senator Pope lease. Senator Pope had a lease on that land for twenty-one years. He was a very old man. I do not think he had ever been a soldier but the lease was due to expire one year from the time that this settlement arose. He had one year to complete. He made a dicker with the government that he would forego that one year and sell it to them at a very low price. It is reported that 18,000 acres were sold at \$1 an acre. Returned soldiers in 1921 and thereabouts were looking for land. That land on the other side of Knee Hill Creek, west of Drumheller, was very good heavy land with lots of grass on it, but unfortunately it was a poor place for anyone to settle because it was very difficult to get water. On the average water was procurable by sinking wells at least 200 feet deep, and many times many hundred feet more, so that it was an expensive price to pay to get a bucket of water. One hundred settlers settled in that place. These pictures are taken a few years after they went in there and suffered drought, hail and what have you. They were living in poverty. These pictures show the hopeless condition.

The ACTING CHAIRMAN: What year were they taken?

Mr. SIBLEY: 1921.

The ACTING CHAIRMAN: When the pictures were taken?

Mr. SIBLEY: No, that is when they went in. These pictures were taken a few years afterwards. There is one particular place there where a man after boring a well and one thing and another was broke, and did not have a place to live in. He lived in a hole in the ground with the bottom of the hay rack on top of it. I think that is picture No. 1. He could not get any assistance. His neighbours clubbed together and built him a shack. I think you will see it on picture No. 10. That is where they re-established him. Many of these men

were good men but they could not make a go of it because of the circumstances, principally hail, and they evacuated their places. Some of them would still like to get back on that land if they were able to, but it is being held for sale at a very high price at the present time. That is all I have to say.

Mr. McKAY: It is now one oclock. I wonder if we may be permitted to debate this matter further at the next session of the committee. Has the steering committee anything lined up?

The ACTING CHAIRMAN: I think there is a program laid out for tomorrow. There is a meeting tomorrow.

Mr. McKAY: You do not know what the program is?

The ACTING CHAIRMAN: I do not think it is this matter, but we may well revert to it at some other time. I do not think we need worry about that at the moment.

Mr. McKAY: While we have listened to this delegation I do not think we have thoroughly discussed this matter. There has not been any suggestion or recommendation brought in.

The ACTING CHAIRMAN: We will discuss it. On behalf of the members of the committee may I thank the members of the delegation who came a long way for the very able and forthright presentation they have made. I think we have their position very clearly, and as Mr. Fair has said to you you may rest assured that the committee will deal with your submission in very serious fashion.

The committee adjourned at 1.05 p.m., to meet again on Tuesday, May 7, 1946, at 11.00 o'clock a.m.

















Doc  
Can  
Com  
CA1  
XC2  
-45V21

SESSION 1946  
HOUSE OF COMMONS



SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

TUESDAY, MAY 7, 1946

WITNESSES:

Mr. J. L. Melville, Chairman, Canadian Pension Commission;  
Mr. R. Hale, Chief Pension Officer, Canadian Legion of the B. E. S. L.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946







## MINUTES OF PROCEEDINGS

TUESDAY, May 7, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Cockeram, Croll, Cruickshank, Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herridge, Jutras, Lennard, Marshall, MacNaught, McKay, Mutch, Quelch, Robinson (*Bruce*), Ross (*Souris*), Sinclair (*Vancouver N.*), Skey, Tremblay, Tucker, Viau, Winters, Wright.

*In attendance:* Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. Richard Hale, Chief Pension Officer, Canadian Legion of the B.E.S.L.

Mr. McKay moved:—

That all soldier settlers who took up land under the Soldier Settlement Board be granted clear title to such lands as of March 31, 1944; that clear title be also granted to the widows, children, or dependents of such soldier settlers; and that in the case of veteran settlers who have been dispossessed of their lands during the period between September 3, 1939, and March 31, 1944, either by quit claim or by eviction, such lands be restored and clear title granted to the settler, or adequate compensation made to him.

After discussion, and by leave of the Committee, Mr. McKay withdrew his motion.

It was agreed that discussion of the Soldier Settlement Act be deferred until a future meeting, the date of which to be decided by the Steering Committee.

On motion of Mr. Harris, it was resolved that a subcommittee, consisting of eight members to be named by the Chairman, be appointed to study the proposed bill respecting civilian war pensions and allowances and report to the main committee on non-contentious clauses, matters on which evidence should be heard, and any amendments which the subcommittee may consider should be made to the draft bill.

The Chairman announced the membership of the subcommittee appointed to consider the proposed bill respecting civilian war pensions and allowances, viz: Mr. Mutch, chairman, and Messrs. Baker, Belzile, Lennard, MacNaught, Marshall, McKay, Skey.

The Committee resumed consideration of the proposed draft bill to amend the Pension Act.

Mr. Hale was recalled, heard and questioned.

Mr. Melville was recalled, and answered questions arising out of Mr. Hale's evidence.

It was agreed that Mr. H. Parker, C.B., M.C., Permanent Secretary of the United Kingdom Ministry of Pensions, be heard at the next meeting.

At 1.00 o'clock p.m., the Committee adjourned until Thursday, May 9th, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 7, 1946.

The Special Committee on Veterans Affairs met this day, at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first question that the committee should consider is this. I understand that there was some question yesterday as to whether there should be any further time taken at the present in regard to the soldier settlers' representation. I have just spoken to Mr. Murchison and he is here in case it was decided that some members of the committee might want to ask him some questions. That is a matter for the committee to decide now, whether we will spend any more time at the moment on that or whether we will go on with the Pension Act. I think that is the first thing that we should decide.

Mr. CROLL: Mr. Chairman, at the conclusion of yesterday's meeting, due to lack of time it was not possible to hear Mr. McKay. I do not know whether he wanted to press the matter or not; and perhaps there were a few more in the group to which he belongs who wanted to be heard. Not being sure of that, I leave it to Mr. McKay to say whether he wants to continue the discussion any further.

Mr. MCKAY: Mr. Chairman, it was not my intention to continue the discussion. I was of the opinion yesterday, and I have not changed my mind at all regarding the matter, that we should follow pretty much the recommendations that were given to us in the brief of the soldier settlers yesterday. I am prepared to make a motion granting the soldier settlers clear title to lands held under the old Soldier Settlement Board as at March 31, 1944, this also to apply to all widows and children of veteran soldier settlers, or dependents; and all veteran soldier settlers who took land under the old Soldier Settlement Act of 1918, and who have lost their land either through giving the Soldier Settlement Board a quit claim or by eviction, in the period between September 3, 1939 and March 31, 1944. I would add further to the motion that, if the board has not disposed of the land, they receive clear title to such land; and if so, that the soldier settlers be given adequate compensation for same. That is just following the brief.

Mr. SINCLAIR: Just before the discussion starts, Mr. Chairman, may I say this. There were a few of us who were not here yesterday because of another meeting. Many of us here do not know what went on yesterday and we have not got the record. I wonder if the chairman would say, briefly, what did go on yesterday.

The CHAIRMAN: What I had in mind was this. If we are going to have a motion, that presupposes discussion of the matter. I think this is a matter that has received so much consideration that we could not possibly dispose of it without considerable discussion. The first thing to decide is whether we are going to discuss it now or not. In the first place, as pointed out by Mr. Sinclair, if we are going to discuss it, we would be under the handicap, or at least some of us would, of not knowing what the submissions were yesterday. It seems to me if we are going to discuss it before we finish the Pension Act, we should not try to do it this morning anyway.

Mr. McKAY: Mr. Chairman, may I say one word there. If the steering committee would suggest or has suggested that we continue with the Pension Act, and that we will get an opportunity later to discuss this, so as to give all the committee an opportunity to read the submissions that were made yesterday, I am quite prepared to withdraw that motion and submit it later. I do not want to interrupt proceedings so far as the Pension Act is concerned; and as you say, this might take some considerable time.

The CHAIRMAN: Yes, I think it would take quite a considerable time. If we are going to discuss it in the immediate future, I do not think it should be to-day because, as has been pointed out, what the representations were yesterday are not known to several of the members who could not possibly be here at that time.

The steering committee's decision was that we hear these gentlemen yesterday and then continue with the other work of the committee, and to postpone decision on the matter until after some other matters had been dealt with. I take it that is the wish of the committee yet?

Mr. CROLL: Hear, hear.

Mr. ROSS: Mr. Chairman, I was present yesterday, but unfortunately there was some other meeting that occupied the time of quite a few of the members. I think there is some merit in what Mr. Sinclair has said, that we might postpone further discussion of this matter until we have a chance to at least read the report. It is only fair to those other members of the committee who were not here. I am sure if you could give Mr. McKay an understanding that he would have a chance to advance that argument at a later date, it would meet his wishes. This group yesterday did make a very fair presentation, I thought, and certainly it merits some further consideration. There are some points that are not altogether clear to many of us who followed it very closely yesterday. I do not think we should hurry it too much. If we could make an arrangement that it will be further discussed at a not too distant date in the future. I think it is only fair to the other members of the committee that that arrangement should be made.

Mr. SINCLAIR: I should like to say this. For several years we have been hearing about this matter in the House of Commons. I had to ask Mr. Herridge, because I thought we had already discussed it before. Apparently in the House of Commons it was Mr. Fair's resolution. Since it has been hanging fire for so long, we might as well get through with it right now rather than postpone it, if these men are here.

Mr. CROLL: They are not here. They are gone.

Mr. MUTCH: As one of those who had no opportunity to hear the presentation yesterday, I would feel myself in a ridiculous position if I were asked to vote on something which I had not seen.

Mr. HERRIDGE: Or had the opportunity to talk on.

Mr. MUTCH: Not necessarily. Since that seems to be what interests my friend, and I have a high regard for him, perhaps I might take forty minutes to tell you what I do not know.

Mr. LENNARD: Carried.

Mr. WRIGHT: I have been very much interested in this matter for the last number of years, both in the committee before and in the House. I think perhaps it would be hurrying the matter a little if we were to make a decision on it today. However, I should like to see some definite time set when it will be discussed in the not too distant future. This matter has now been before this committee and before the House for a number of years, and I feel it is time we made some disposal of it. I do not want to see the thing just shelved indefinitely. I should like to see it postponed until a definite date at which time we could then come to some definite conclusion on the matter.

The CHAIRMAN: You are on the steering committee yourself, Mr. Wright, and you know that we will be discussing the agenda. Do you think it should be left to the steering committee, as to the date we will actually set to decide this thing?

Mr. LENNARD: Carried.

Mr. WRIGHT: Yes. I would leave it to the steering committee to settle that.

Some hon. MEMBERS: Carried.

The CHAIRMAN: Then that is carried. The next question I wish to bring before the committee this morning is this. As the committee is aware, we started to consider the Civilian War Pensions and Allowances Act at our last meeting and one of the members of our committee suggested that it might save some time if we referred the consideration of that Act, for study and report back to this committee, to a small subcommittee. I did not have a formal meeting of the steering committee in regard to the matter but I consulted those members of it who were available, and all parties were agreeable to the idea. The thought in mind was that this committee would study the proposal, report non-contentious matters for passage, report any matters on which they thought there should be evidence given and also report matters on which they thought the opinion of the committee should be taken. In that way it was thought that probably quite a bit of time could be saved. It was suggested, after consultation with the various members of the different parties in the House, that this committee, if set up, should consist of 4 Liberals, 2 Progressive Conservatives, 1 C.C.F.'er and 1 Social Crediter, and that the chairman, in the event of a tie, should have a casting vote, in order to keep the size of the committee down as low as possible, so that they could meet more conveniently at any time when there was time available to study some of these matters. There is no suggestion that they should hear evidence or make decisions that would be binding, but rather that they should study these matters and report back to this committee, to save us from going into some of the ramifications of the various items that are in the bill. They were also to go into the question of considering whether other groups should be added to the bill or not. It might save us a great deal of time. What is the opinion of the committee? The steering committee, as I say, seemed to think it was a good idea.

Mr. HARRIS: My own thought on the matter is that a committee like this would save us a lot of work and probably get better results. For example, when we considered the bill the other day, I think we ran through the first five or six sections without finding agreement on anything and there was hardly a line on which there was not some question raised. I remember asking one of our distinguished lawyers for an explanation of one phrase which was used, and he could not give it to me. Therefore I think we ought to have a committee such as this to bring in a report on it, so that we can see what can be agreed on, and to bring matters on which there is disagreement before the committee. I might also say that this procedure is one which we could follow in other matters and save a lot of time. In any event, in this case I would move that we appoint a committee consisting of 4 Liberals, 2 Progressive Conservatives, 1 C.C.F.'er and 1 Social Crediter, to study this bill, and that the chairman be a Liberal of the 4 with a casting vote.

Mr. CROLL: Does the chairman appoint the committee?

Mr. HARRIS: And that the chairman of our committee appoint that committee.

The CHAIRMAN: You have heard the motion, gentlemen.

Mr. GREEN: Mr. Chairman, there is one point in the motion about the subcommittee which I think should be considered, and that is whether or not



it is wise for them to hear evidence. Personally, I do not think it would be. I think that any evidence that is to be heard should be heard here where we can all hear it.

Mr. Mutch: That was the chairman's suggestion, that they do not have power to hear evidence.

Mr. Lennard: Then just what would their duties be?

Mr. Green: Oh, to iron out matters. There may be quite a lot of sections in the bill that can be agreed on. This subcommittee could come back here and recommend the adoption of certain sections and tell us what it is all about, just what the implications are. But I do suggest that all evidence must be heard by the full committee.

Mr. Mutch: I think if you limit the number of lawyers on the subcommittee, we might get a lot of agreement.

Mr. Sinclair: You need some other limitations too.

The Chairman: On that point, Mr. Lennard, the department officials would be available to explain things to the committee. When they were satisfied that the matter was explained to the unanimous satisfaction of the whole subcommittee, then I think that on many points this committee would be satisfied, because the departmental officials would be available to assist the committee at all times. Brigadier Melville asked me to assure the subcommittee that he would welcome the chance to go into some of these matters in greater detail with the subcommittee than there would be time for in this committee.

Mr. Green: Take the case of the merchant seamen. Is it your idea that the officers of the Department of Transport would appear before the subcommittee? Because that is the one case I have in mind, and I think we should hear these men right here in the main committee.

Mr. Lennard: Absolutely.

Mr. Green: And not in the subcommittee.

The Chairman: What I thought was this. In a lot of these matters the subcommittee could go into these things with the departmental officials and find out who would be the most useful witnesses to hear; then they would recommend that certain witnesses be called, and each party being represented on it could make sure that the proper witnesses were here at this committee, or the ones they figure should be here. On the point you mention, Mr. Green, I agree with you that we should hear representations from the merchant seamen and also that the committee would want to hear from the Department of Transport. But the subcommittee in a lot of these things would be able to find out which witnesses would be most useful to the committee and it would assist in that way.

Mr. Sinclair: When you first mentioned the suggestion of a subcommittee, Mr. Chairman, I thought it was an excellent idea, but since hearing this discussion I am not so sure. All members of this committee are very much interested in knowing the full details of every bill, and our best way of learning that is to go through the bill. Certainly those questions which you asked two days ago about those nautical terms in the first part of the bill are of very great interest to us. I think this subcommittee would probably have explanations given to it and would accept them. More than that, if the subcommittee is not going to take evidence, if it is not going to discuss the inclusion in this bill of other groups, such as the two groups I keep pressing for, then I do not see what is going to be gained. Is this subcommittee going to have a *Hansard* so that we can study it in our own quiet time and see what the subcommittee is doing?

Mr. Croll: No.

Mr. Sinclair: I do not know what value the subcommittee is going to be, then.

Mr. HARRIS: May I speak again to the motion, Mr. Chairman? The purpose in my mind for this subcommittee is this. All the questions that were raised on those first five clauses were mainly legal; that is what the Department of Transport meant by that particular phraseology. The subcommittee would consult with the officials and would be able to put to the officials probably all the types of questions that we would ask in the committee, so that when they came to make their presentation they would be able to have determined the best witnesses available, the best explanation, or in the event that it may not be accepted, they may have some suggestion. In that way, we will not have to waste time in the committee going through all that. But at all times the witnesses must come here and they must have been prepared in advance—we will put it that way—to answer these questions which we would like to ask.

Mr. CROLL: Mr. Chairman, I think the best answer to Mr. Sinclair is to carry him back to the subcommittee that he headed at the last sitting, when he brought in a report. We accepted it. They did a very admirable job. They saved us a great deal of time. I think we had another committee headed by Mr. Jutras; they saved us considerable time. If there was anything that was controversial, we discussed it then. I do think it is a great time-saver.

Mr. SINCLAIR: That was on misconduct, but it was the result of discussion here; I think the members of the subcommittee will recall that it took about five minutes to agree because of the discussion here in the committee. The whole thing could have been done here quite as easily. However, it is for the committee to say.

Mr. CROLL: It is a time-saver.

The CHAIRMAN: Is that motion satisfactory?

Some Hon. MEMBERS: Carried.

(Motion agreed to.)

The CHAIRMAN: You suggested Mr. Moore, did you not, Mr. Gillis? Or who did you suggest?

Mr. GILLIS: I suggested Mr. McKay.

The CHAIRMAN: I was not absolutely sure about that. Is that satisfactory to your group?

Mr. GILLIS: Yes.

The CHAIRMAN: Then the members of the committee—and I may say I have consulted the various groups—will be Mr. Mutch, chairman, Mr. Belzile, Mr. Baker, Mr. MacNaught, Mr. Lennard, Mr. Skey, Mr. McKay and Mr. Marshall. Those are the members of the committee pursuant to the motion that has been made.

Mr. Hale is here to-day. I suggest that they actually finish their presentation and then we can take up discussion and questioning after the whole presentation is in. Is that satisfactory to you, Mr. Hale?

Mr. HALE: Yes, Mr. Chairman.

### **Richard Hale, Chief Pension Officer, Canadian Legion, called.**

The WITNESS: The presentation was finished. I think the only matter to be completed is the matter of questions which members of the committee may wish to ask.

The CHAIRMAN: I see.

The WITNESS: This is the amendment particularly that the committee has placed before them.

*By the Chairman:*

Q. Are you prepared to explain this?—A. Yes.

Q. Will you proceed, Mr. Hale?—A. Mr. Chairman and gentlemen: You will recall that on the last occasion when I appeared here we had considerable discussion with respect to our recommendation regarding pre-enlistment conditions which was in the main brief of the Canadian Legion. As a result, and after some conferences, it was decided to place before you a suggested amendment to section 11, subsection 1 (c) of the Pension Act. I may say that the main purpose of this suggestion was to clarify what we had previously requested. We have in mind men who have served in a theatre of war. Section 11, subsection 1 (c) of the Pension Act makes provision for a pension to be paid to the full extent of the disability which may result from aggravation, but there are three exceptions, and it is in connection with the three exceptions that the main difficulty has arisen. The three exceptions are wilfully concealed disability, obvious disability on enlistment, and disability recorded on medical examination prior to enlistment.

The main complaint which the Canadian Legion has received—and I may say it is particularly apparent from those who have served in world war II—is that they fail to understand why, when a man has been passed as medically fit, has completed his basic training, has passed into a theatre of war and has carried out his duty in the same manner as a presumably fit man has done, there should be a deduction made from his entire disability when he is pensioned.

In the beginning we suggested that after a period of six months medical fitness should be presumed, but it was very difficult to explain, and the members of the committee did not appear to understand fully what our purpose was. Therefore this amendment was suggested to you as a more or less arbitrary way of settling the difficulty. I may add, too, that we believe it would also settle the difficulty which the Canadian Pension Commission is confronted with in attempting to assess the degree of disability which is due to pre-enlistment origin and progression.

Perhaps the wording of our amendment might be improved a little, but our proposal is that where there has been an aggravation of a disabling condition existing prior to enlistment, and where it has been actually or is considered to have been wilfully concealed, obvious on enlistment or recorded on medical examination prior to enlistment, the deduction from the actual degree of disability shall not exceed 10 per cent. That is an arbitrary way of dealing with it, but we feel it would greatly simplify the procedure and would restore a good deal of confidence in these men as to the administration of pensions.

I should like to answer any questions that you may have with regard to this matter. The Commission have, during the interim, given you a very good picture of their procedure and how they deal with these cases. We are criticizing the Canadian Pension Commission for the manner in which they have administered this section of the Act. I want to make that very clear. We are very conscious of their difficulty but we submit that after all it is an almost impossible thing, by medical opinion or otherwise, to accurately measure disability, and we feel that this would simplify their procedure and would be generally satisfactory to the men concerned.

*By Mr. Blair:*

Q. In the matter of this expression "wilfully concealed" may I ask Mr. Hale a question? If the man was not conscious of this disability he would automatically still fall under that clause. How are you going to differentiate between a condition of which a man was not conscious and one which was found out afterwards? That is, a man might have had a disability and he is not conscious that he has a disability. How are you going to differentiate as to that condition? He does not know he has it, but later some board may say that he concealed it, that



he might have known, that he wilfully concealed it. I do not like that word "wilfully." —A. Replying to that question I would say that it would make the Canadian Legion very happy if you would eliminate "wilful" from this section and also "recorded on medical examination prior to enlistment", but they have been in the Act from the beginning. I have listened to some very learned experts on pensions who have held forth regarding those exceptions, but I agree with you entirely as to the difficulty. I am sure that you must appreciate the difficulty that the Commission must have to determine whether or not a man has actual knowledge of a disease which he wilfully conceals. I have had twenty-seven years experience. I have listened to thousands of histories, and I find that very few boys, for instance, know with any accuracy the nature of their childhood illnesses. They only know what their parents may have told them, and that is often very limited. Consequently when these questions were asked on attestation, on enlistment in the forces, a great many of these boys did not actually understand what was meant when they were asked whether they had such and such a disease. They probably never heard of that disease in their lives before, and being patriotic and desirous of serving naturally they say, "No". The construction which is placed on his answers later gives rise to a great deal of controversy, and naturally so. There have been a great many clever people who have attempted to explain just what wilful concealment means. The chairman of the Pension Commission told you generally how the Commission administers that. Certainly so far as the Canadian Legion is concerned we have never been in love with this exception, and we never will be. Our suggestion about the 10 per cent penalty is made in good faith because we believe that at least that reduces the penalty down to a reasonable place, and it does not place any stress on the good will or otherwise of the Commission which is asked to say what shall the degree of aggravation be. You have heard these cases quoted to you, and I am sure you realize what a difficult task it is for the Commission to decide.

*By Mr. Mutch:*

Q. I have no difficulty in following you with respect to your attitude toward wilful concealment, but in your opening remarks in your last answer you included this business of recorded on medical examination. What is your objection to that? What difficulty do you see arising out of that clause, recorded on medical examination?—A. Of course, that is a slightly different matter. Actually recorded on medical examination prior to enlistment is intended to mean a hospital record or a medical record in the possession of some doctor. One cannot object very much to that except that the interpretation that is placed upon it sometimes is not altogether in keeping with what has developed later. For instance, perhaps I can illustrate it in this way. A man has a duodenal ulcer, and he says, "I had pains in my stomach. I was treated for the same by Dr. So-and-so before I enlisted." He says this four years after he has enlisted. The Commission would take that as a pretty clear indication that there would be a record of that. But pain in the stomach, gentlemen, does not necessarily mean that he had a duodenal ulcer. It could be a great many other things. He could have been eating green apples or something like that. It is there that the shoe pinches. I will say that we have had a few cases where men endeavoured to enlist and were rejected. A record is made of why they were rejected, but subsequently they were accepted in some other branch of the service. The rejection on the first enlistment naturally is a medical record. We have not any sound objection to that. There cannot be, but I have always hoped that at some time we would be able to eliminate these conditional awards because the general principle should be that men who are fit to serve in a battle area, and serve in a battle area, should all be treated exactly the same.

*By Mr. Fulton:*

Q. You must have had a great deal of experience in reviewing these cases. Would you say it would be fair if we were to adopt the attitude that every ailment the man had should be recorded as a result of his medical examination which admits him into one of the services, and that therefore following from that if that condition was not recorded then the origin of that condition should be attributed to his service. Do you think if we had something like that it would meet your objections? Would you say that is a fair test, that one could fairly expect that to follow from the medical examination?—A. We thought we were being a little fairer than that when we suggested that after six months when a man had gone through strenuous training, from there on he should be presumed to be fit. That is perhaps the best answer I can give you on that. There is this to be said about enlistment examinations. We know it is true. There were defects which did not debar a man from serving. In the opinion of the medical board it did not and would not prevent the man giving the service for which he was required. Sometimes those defects were recorded and sometimes they were not if they were of a minor nature. A great deal has been said, for instance, regarding obvious disability. We have not said a great deal about it. I think we are fair in stating that no one expects a pension to be paid for something which was perfectly apparent at the time of enlistment and was apparent to a layman as well as doctors, the loss of a tip of a finger, the loss of a toe or something of that nature, but there are other things such as scars following operations. At one time defective hearing used to be considered as an obvious disability. Some of the old members of this committee will recall in 1933 the terrific battle that had to be fought over that question when some thousands of cases were reviewed and awards cancelled, reduced and so forth. We all learned a great deal there. We feel that the purpose of this recommendation is sound, and that it would be accepted generally by the men of world war II who served in a battle area because it is reasonable, but you cannot convince a man who has served in a battle area that he should lose two-fifths or three-fifths of his pension no matter how plausible or reasonable the medical grounds are that are quoted to him in the Commission's decision.

Q. I agree with you entirely. I was wondering if you would go so far as I personally at the moment am prepared to go and say that unless the condition was recorded at the time of his examination on his documents then that condition shall be attributed to service. I think if we could arrive at some such decision that would do away with all the exceptions and discriminations and the reduction by 10 per cent or any other fraction. I am wondering whether you are in a position to say that the Legion would go that far and say that the onus is then on the medical examiner at the time of enlistment to record every physical defect, and that unless those physical defects are recorded then they must be attributed as due to service at the time of discharge?

Mr. BENTLEY: May I follow that up with a concrete case?

Mr. FULTON: As long as Mr. Hale answers my question.

Mr. BENTLEY: This is right in line with your point. It is a very extreme case, but it happened. I will not mention the man's name. I do not know whether Brigadier Melville or Mr. Hale should reply, but I think it is worth while recording this. In the early part of the war this young chap offered himself as a volunteer for service. He went to the recruiting office and was told he had very severe heart trouble, was utterly unfit for service, and because of that was refused. When the call-up regulations came into effect in due time he got his notice to appear to be examined. Remember he had never been sick before in his life that he knew of outside of childhood illnesses, but he was told he had very bad heart trouble about which he knew nothing. He was



turned down for voluntary service. When he was called up under the call-up regulations he appeared then and they asked him if he had ever been sick before. He told them the whole story of his heart trouble. According to his story—I was not there, of course—the examiners were extremely insulting and told him, "You have no heart trouble; you are in perfect condition; you are simply trying to avoid service." He was taken into the service on the call-up with an A category. He then said, "If that is the case I will go active," and he did and served where he was sent. I do not know whether he is home yet. I do not know whether he will ever apply for a pension, but suppose that something happens to that man during his service and he applies for a pension. This is a hypothetical case from here on. I do not know whether or not he will do so, but suppose he did. Would that previous examination when he was declared to be utterly unfit because of a heart condition work against him if he had a heart condition now attributable to service, on the understanding, as I told you, that when he was called up he was told he was in perfect condition, given A category, and then went active?

Mr. CROLL: Could we have answers to these questions?

Mr. FULTON: I should like an answer to my question as to whether the Legion would go that far. I think it is inherent in your subsequent recommendation. What I am trying to get at is if we could arrive at that point now it would eliminate very many of the difficulties which Brigadier Melville finds in administering the Act.

The WITNESS: Replying to Major Fulton's question I would say that the Canadian Legion naturally would welcome such a generous policy. It has never yet happened as far as the Canadian Pension Act is concerned. That is the reason why this question has always been full of controversy. Our friends in the United States had a regulation which stated that a man was eligible for pension in respect of any condition which was not recorded on attestation. It is a very broad and sweeping provision. I am sure there are many doctors who could and would say that it is hardly right because there are hidden diseases which cannot be found on medical examination. That was why we felt in fairness that our suggestion about the six months was sound. Our other suggestion about the 10 per cent is an attempt to settle the matter in an arbitrary way and remove the controversial question, and also to put the Pension Commission in this position that there is an arbitrary way of settling something. It does not have to depend on someone's opinion; someone's opinion varies a great deal; and certainly you cannot explain the difference in the degrees of aggravation. I will defy anybody to explain it to a bunch of active men who served in a battle area. It simply cannot be done. I have sat in Legion committees and in Legion meetings and I have listened to some very potent comments, and I have had a great deal of sympathy with those who were expressing those views. I feel very keenly that this committee has a great opportunity here to settle this question once and for all.

Mr. FULTON: Would you agree that if we eliminate for the time being this section 11, that your recommendation on page 4 of your original brief would cover the whole point at issue now? I will read it:—

That the Pension Act be amended to provide that, after a secondary medical examination held six months or later after enlistment, any disability occurring thereafter should be considered as having been incurred during service and attributable thereto.

If that were put in and all the difficulties of the present section were cut out—perhaps we could cut out the whole section—that would take care of the point raised by the Legion, would it not?

The WITNESS: Yes.



Mr. BENTLEY: But you want to eliminate that as far as section 11 is concerned.

Mr. FULTON: It is not in that.

Mr. BENTLEY: Yes, it is.

Mr. FULTON: Yes. I say cut that, subject to the exceptions.

Mr. CROLL: Reading the present suggested amendment it seems to me that the Legion is giving a bit of ground with respect to their original recommendation. The original recommendation was, as Mr. Fulton has set out, that after six months any disability occurring thereafter should be considered as having been incurred during service and attributable thereto. Now, we cut it down so that they are permitted a deduction of 10 per cent. I cannot reconcile that with "obvious" or "recorded on medical examination." I think if it is obvious or recorded on medical examination six months afterwards when the man is still in the service and has been re-examined and has been found satisfactory that should close the record and from then on he is fit for service and ought to receive a full pension.

Mr. FULTON: If it was obvious or recorded on enlistment then it did not occur after enlistment; therefore he is not—

Mr. CROLL: It comes under the amendment.

Mr. FULTON: No, because that says "any disability occurring thereafter." If it was a disability which occurred before it could not have occurred thereafter and it is automatically cut out, and this amendment takes care—

Mr. CROLL: Yes, that is right in as far as wilful concealment is concerned. I do not know what the words "wilful concealment" mean. I imagine it is very difficult for the Pension Commission to define those words. Is there a definition of the words "wilful concealment"? "Wilful concealment" would seem to indicate that the man was deliberately trying to do an overt act, and that is in a different position from the obvious or recorded on medical examination. May I ask the chairman of the commission what he understands by "wilful concealment"? How do you distinguish between "wilful concealment" and, say "concealment"?

The CHAIRMAN: There have been two questions asked of the chairman of the commission. Do you wish to answer Mr. Bentley first?

Brigadier MELVILLE: Mr. Chairman and gentlemen, in reply to Mr. Bentley I would like to start by saying this, and reiterating what I expressed at a previous meeting: it very definitely is the policy of the Pension Commission to award and not to deny pension, subject to the provisions of the Act. Now, with regard to this particular case, this man had a heart condition, and that heart condition was recorded, therefore when he is discharged from the service and his claim is considered by the commission we must give cognizance to that fact. We would then have to determine: did he serve in a theatre of actual war? If he did he will be subject to the provisions of section 11 (1) (c) of the Act. The pre-enlistment condition was recorded on medical examination prior to enlistment and having determined that, the commission would have to take all other factors into consideration: the condition itself, how the man was on enlistment, what the condition was at the time of his discharge, what his service was, where his service was rendered; and having taken all these factors into consideration to determine what degree of aggravation he would get.

Mr. BENTLEY: Which one would they take? In one case they said he was unfit when he volunteered, then when they called him they decided he was fit. Which one would they take? When he was called up they stated that his explanation of his previous heart condition was utterly untrue, that he had no

heart condition, that he was A and fit for service, and he was taken in under the call-up regulations. So, which one would you take—the one which says he was not fit or the one which says he was fit?

Brigadier MELVILLE: I would frankly say that the endeavour would be to do the best for the serving soldier to begin with, but if that condition was recorded, and it actually was recorded, we would have to give consideration to it. We must. The facts are there; they are probably on the record.

Mr. BENTLEY: Which is right: the medical officer who said he did or the medical officer who said he did not have this condition?

Brigadier MELVILLE: The weight of medical opinion and the good judgment of the commission would determine.

Mr. SINCLAIR: And the military condition at the time when they were looking for volunteers and at the time when they were not.

The CHAIRMAN: I think that is all the chairman of the commission could say. They have to do the best they can with the evidence that they have.

Mr. MUTCH: Is it not a case where you have conflicting medical opinion and the general result is for the commission to take the result of the medical opinion at the time you are considering the case and assess the pension. The medical opinion must be reviewed by your medical officers, and you would be more or less bound to take their opinion, would you not?

Brigadier MELVILLE: Definitely not necessarily. The commission has a staff of medical advisers. There are fourteen commissioners including the chairman. There are five doctors, I think, and three lawyers—

Mr. CRUICKSHANK: That is too many.

Brigadier MELVILLE: And then there are the laymen. So we have, shall I say, a dash of medicine and a dash of law, and then we have our laymen coming in—

Mr. MUTCH: Common sense.

Brigadier MELVILLE: Thank you very much, I am a layman. They arrive at the decision. We are not bound by the opinion of our medical advisers. Their opinion is expressed and comes into the board room, but the commissioners may disagree and they do in some instances.

Mr. QUELCH: Would it be fair to say that the commission to a large extent are interpreting the term "wilfully concealed" as meaning "not disclosed"?

Brigadier MELVILLE: Now, we come, Mr. Chairman, to the question asked by Mr. Croll. May I be very frank and state that the commission does not like the term "wilfully concealed." Some time ago, since I returned from overseas, we deleted "wilfully" and used "concealed".

Mr. GREEN: That hurts the soldier.

Brigadier MELVILLE: It did not, but we had to change because "concealed" is not in the Act. The Act says "wilfully concealed". We are as sparing in the use of that term as is possible. If it is a pre-enlistment condition we will endeavour to use "recorded" where it is not an obvious one, because in the evidence or the statement the man has made during his service he refers to treatment he had from his doctor, or the treatment he had in hospital, or something he had from his druggist. We will write to them. We do refer to the doctor and to confirmation from the entries in his day book. We then use the term "recorded". When we come to consider the draft of the proposed bill and the amendments to the Act it may be, Mr. Chairman, that we could consider whether "wilfully concealed" should be continued or not, and substitute "not disclosed". Then in the definition section of the Act—section 2—the term could be properly defined.

Mr. Mutch: Will you permit an interruption? At the present time is it possible for the commission to distinguish between failure to disclose and wilfully concealed?

Brigadier Melville: It is very difficult.

The Chairman: They do it.

Brigadier Melville: We have to.

The Chairman: There are cases where a man had a condition which he did not disclose and which they did not find that he had wilfully concealed, and he gets the full pension. In other words, these words "wilfully concealed" are of assistance to the soldier, not a disadvantage.

Mr. Quelch: They should not be a disadvantage.

The Chairman: Is it not true that we went over some cases, Brigadier Melville, where there was a failure to disclose and where the commission found there was no wilful concealment and where the man got the full pension?

Brigadier Melville: I have quoted a number and some cases are on the record.

The Chairman: It should not be overlooked by the committee that this word "wilful" helps the soldiers.

Mr. Quelch: It did seem to me that some of the cases that Mr. Melville gave us were merely not disclosed and not wilfully concealed, especially in regard to the question of stomach troubles.

Mr. Mutch: If we could find a formula by which the board distinguishes between these two terms and could incorporate it in the Act, I think that would help us.

Mr. Green: This section 11 (1) (c) applies only to the man who has been in a theatre of war.

Brigadier Melville: Quite correct.

Mr. Green: Is it natural to think that very many men who actually got to a theatre of war have wilfully concealed anything in order to get a pension? Is it natural to expect that? Is it not far more natural to think that if there was wilful concealment it was in order that these men could go and fight?

Brigadier Melville: I was going to say that most men did not wilfully conceal—they had no thought of pension, shall I say—they concealed it to get into the service.

Mr. Green: He concealed it because he wanted to fight, and he actually got there and did fight. Now, surely, because of that fact alone, would it not be wise to take right out of that section 11 (1) (c) the words "wilfully concealed"?

The Chairman: The effect of that—

Mr. Green: I am asking the brigadier. Does he think that would be the fair thing to do, based on the premises I have given?

Brigadier Melville: I do not think, Mr. Chairman, it is a fair question to ask me because we did not write the Act; the Act is there and we administer it. We endeavour to administer the Act to the best interests of the soldiers.

The Chairman: I could deal with that. The way the Act is read a man goes into a theatre of actual war and he has an aggravation of a pre-enlistment disability and he gets the full amount of the pension unless they can find that he wilfully concealed his condition. If you take "wilfully concealed" out—

Mr. Green: He would get the full pension.

The Chairman: No; then he would have his deduction made if it was only concealed—in other words, the only ground—



Mr. GREEN: I would take out the words "was wilfully concealed"—take them all, because I agree with you that "wilfully" protects the soldier, because it is far more difficult for the Pension Commission to say that a disability was wilfully concealed than it is for them to say it was non-disclosed.

The CHAIRMAN: I was following along the discussion of the committee the other day when it was suggested that they were giving the same effect to "wilfully concealed" as to "failure to disclose," and that it was suggested was not following the Act. I went into the matter with the commissioners, and I may say they satisfied me that they did award the full amount of pension where there was a failure to disclose, as long as they did not find there was wilful concealment, which shows "wilful concealment" in the Act is a benefit to the honest soldier. That is very important.

Mr. GREEN: There would be even more benefit if you took out the words "was wilfully concealed"; that would help the soldier even more.

The CHAIRMAN: The effect of that would be that if a man was absolutely crooked and concealed a condition then he could come along and collect the full pension as the result of this wrongful information.

Mr. GREEN: You are forgetting what I said when I spoke, that that man concealed his disability in order to go and get shot.

The CHAIRMAN: Yes.

Mr. GREEN: This section only applies to men who have been in a theatre of war. I suggest that in fairness to these men we should take out those three words "was wilfully concealed"; and I want to ask Brigadier Melville what the effect would be if those three words were taken out? That is a fair question.

Mr. HARRIS: How many cases are being refused?

Mr. GREEN: No. I have asked the brigadier my question. Mr. Hale has suggested these words should be taken out; he would like to see the words "was wilfully concealed" taken out.

The CHAIRMAN: You leave the two exceptions?

Mr. GREEN: It would only leave two exceptions.

The CHAIRMAN: Obvious?

Mr. GREEN: And was recorded on the medical examination prior to enlistment.

Brigadier MELVILLE: In the proceedings of this committee, No. 9, I read into the record the certificate of the medical examination that was completed at the time of enlistment. The recruit is asked certain questions: have you ever suffered from any of the following defects in health, and they are all there. If his answer is, no, and during his service, we will say shortly thereafter, one of these conditions is found, and it is definitely established that it was of pre-enlistment origin, then it is wilfully concealed.

Mr. SINCLAIR: That is not the point.

Brigadier MELVILLE: We have to give consideration to the questions that were answered at enlistment, and we have to give consideration, as the Act is today, to the history that is recorded.

Mr. GREEN: If we strike out those words "was wilfully concealed," take them out of the Act completely, then would the condition not be this: you find that a man had a pre-enlistment condition; you find that it has been aggravated on service; then he would be entitled to get full disability compensation—payment for his full disability—if he had served in a theatre of war. Would not that be the result?

Brigadier MELVILLE: That would be for this committee to determine.

Mr. GREEN: Oh, no. If the Act were amended in that way, would not that be the result?

Brigadier MELVILLE: Possibly.

Mr. BAKER: Mr. Chairman, I think that is an unfair question. Brigadier Melville did not write the Act.

Mr. GREEN: What would be the result if those words were struck out?

The CHAIRMAN: The effect of it is quite clear, Mr. Green.

Mr. GREEN: I am satisfied to get it from you, Mr. Chairman.

The CHAIRMAN: Well, it is quite clear. The effect would be that if a man enlisted and concealed a disability, and got into a theatre of actual war as defined in section 2 (o) of the Act, which means service out of Canada, he would then be able to come along, if there was any aggravation whatever, no matter how slight, and collect the full pension; he would get it.

Mr. GREEN: You mean pension for the full disability, Mr. Chairman?

The CHAIRMAN: For full disability, yes; and he would get it, although he wilfully concealed from the medical examiner the condition which he knew he had.

Mr. SINCLAIR: To enable him to fight for King and country.

The CHAIRMAN: The question is that theatre of actual war means service outside of Canada. That is a matter for this committee to say. There is no doubt that there were some people who were ready to lie and conceal things in order to go and fight, and others probably who—

Mr. SINCLAIR: Lied so they would not have to go and fight.

The CHAIRMAN: There were probably others who thought they might get into the army, perhaps get overseas to England, where they knew it would be discovered, and then all the rights would flow from it.

Mr. SINCLAIR: Do you know of any such cases?

The CHAIRMAN: In other words, if you took this out of the Act, it would mean that the man who managed to get by the medical doctor, no matter in what manner—by wilful concealment or otherwise—could turn around and claim full pension.

Mr. GREEN: Pension for his full disability. Full pension would mean 100 per cent pension.

The CHAIRMAN: Well, pension for full disability.

Mr. GREEN: He would not necessarily be 100 per cent disabled.

The CHAIRMAN: In other words,—and we will take an extreme case—a man might be, to his own knowledge, dying of cancer.

Mr. GREEN: And the doctors could not find it out?

The CHAIRMAN: Well, it is very hard to find, sometimes.

Mr. SINCLAIR: In the dying stages? Ask Dr. Blair.

The CHAIRMAN: It sometimes takes two or three years for a cancer to kill a man.

Mr. BLAIR: How does he know he had it?

The CHAIRMAN: I am assuming that he knows he had it. I have known people who knew they had cancer for two years. I suppose it will ultimately kill them. If that man goes into the armed services and the commission finds that conditions are such that in some manner that condition was aggravated, he would be able to turn around and say, "I want full disability", which in the case of death would mean that he would get full pension. As I understand it, the section is put in to say that if a man wilfully concealed his condition, then he would get only the degree of disability which he experienced when he was

in the service. He gets that. The section says that if he has any aggravation in service, he gets the full pension unless he wilfully concealed it, or it was obvious or recorded on medical examination.

Mr. GREEN: Mr. Chairman, the proviso goes farther than that.

The CHAIRMAN: In that event, of course, he gets actually what he proves.

Mr. GREEN: No. The proviso says that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was wilfully concealed, was obvious or recorded.

The CHAIRMAN: No. He gets aggravation while he is in the service.

Mr. GREEN: It does not read that way.

The CHAIRMAN: That is the way I understand it.

Brigadier MELVILLE: I must make that clear. The Act reads that way; but in the interpretation there is no question about it, Mr. Green, he is pensioned in accordance with the degree of aggravation.

Mr. GREEN: The Act should say that.

Brigadier MELVILLE: Well, I put many cases on the record where there was two-fifths, three-fifths and four-fifths aggravation. I would like to make this statement, gentlemen, because we are all ex-service men. There has been practically no complaint from the members of the forces regarding the assessment of the two-, three- or four-fifths aggravation which the commission has given. Exception has been taken to this term "wilfully concealed." That is what they object to, as far as we are concerned, and they have frankly said, "Your award is fine. I am pleased. I am satisfied. But I do object to that term 'wilfully concealed' because I did not wilfully conceal it." That is the only point of argument with the commission.

Mr. GREEN: Yes. I think, Brigadier Melville, from your evidence the other day, and from what you have said again to-day, that the commission do not understand the difference between "wilfully concealed" and "non-disclosure". I do not think you pay any attention to the difference between those two, and I am quite sure when those words "wilfully concealed" were originally written into the Act, the members of parliament who passed that believed that it would only apply to a case where there was malicious intent, and that those cases would be very rare indeed. I believe that was their intention; that where a crook was trying to take advantage of the Act, he would not be able to get away with it.

The CHAIRMAN: And you agree, that, in that case, he should not be permitted to get away with it?

Mr. GREEN: I agree that in a case of that kind a man certainly should not get away with it because, in effect, it would be fraudulent. Those are not being construed that way now by the commission. They are being construed as not disclosing a condition. I think that where there is a fraudulent case, it surely could be covered under the other section of the Act.

The WITNESS: Under section 5, the commission have power to cancel an award where there is fraud or misrepresentation.

Mr. CRUICKSHANK: They have that power now.

Mr. GREEN: Which subsection is that?

The CHAIRMAN: Subsection 2.

Mr. GREEN: Yes. Where there is misrepresentation or fraud of any type the commission are covered. I think they should rely on that section to deal with the crooked case, and take right out of section 11 (1) (c) the words "wilfully concealed". Then you will get away from a lot of the unfairness in the administration of the Act. Both Brigadier Melville and Mr. Hale have told us to-day that



it is very difficult to administer it the way it is worded. I think that, in order to meet the actual wish of the members of parliament who passed this Act originally, we should strike out those words "wilfully concealed."

Mr. MUTCH: In your opinion, if we substituted the word "fraudulent" for the word "wilfully" would that assist matters? I am not suggesting that, but I am asking for information.

Mr. GREEN: That would help, I think.

Mr. MUTCH: Would that meet the intent of the framers of the Act?

Mr. GREEN: I think it would help if you put in, say, "fraudulently concealed". But this Act, after all, is supposed to be governed throughout by the benefit of the doubt section. The benefit of the doubt is supposed to be given to the veteran, and I think it would be fairer if we took those two words right out.

Mr. MUTCH: You might as well, because you could not prove fraud.

Mr. GREEN: No, you could not, anyway. I think those words should be taken out and the commission allowed to use the fraud section to deal with the crooked man.

Mr. SINCLAIR: I should like to support Mr. Green in this contention. The case that Mr. Bentley used of the difference in the medical assessment of the same man when he tried to volunteer earlier in the war and when he later was called up, I think is a good explanation of a lot of medical assessments. In the first year of the war men got by, and there was a lot of wilful concealment. Everybody was very keen to get into the service, and the doctors looked on it with a jaundiced eye. I think almost any man who volunteered at that time did pass over something to put himself in a little better light. On the other hand, if you take the N.R.M.A. medical records towards the end of the war, I am quite sure you would find there...

Mr. CRUICKSHANK: A toothache.

Mr. SINCLAIR: ...an attempt to go the other way. I think as long as provision for overseas service—a man who volunteered for overseas service and who got overseas service—is in the Act, the matter is covered. That obviously meant that he had a rigid physical examination before he went, even although his initial examination in the early part of the war, in order to get into the service, was rather slack. Certainly the people of this country do not want a man who, like Lord Nelson before Copenhagen, wilfully concealed a disability, to be removed from this benefit. Therefore I should like to support Mr. Green in suggesting that this phrase "wilful concealment" be removed entirely as far as it applies to these men who volunteered and got to a theatre of actual war.

Mr. MCKAY: Mr. Chairman, speaking in support of the previous speakers, may I say that I am in favour of having "wilfully concealed" definitely stricken from this section. With all due deference to the doctors, medical examination is up to them. They are there for that purpose; they are paid to find these disabilities. I know it is difficult. Nobody will question that. But the individual does not always know what is wrong with him. He sometimes does not know whether he has a disability or not. Most people, when they go in for medical examination upon enlistment, tell untruths. There is not any doubt about that. If they do tell the facts regarding their medical condition, the chances are that somebody will say they are unpatriotic and that they are trying to get out of serving. For instance, who is there in this room who can answer the question, have you had pains in the stomach or chest? Is there anyone here who can answer that in the negative? I doubt if there is one. Still that question is there; certainly the one on the chest is there. A slight attack of indigestion will give you a pain in the chest sometimes. Any doctor will verify that statement. Most of us, if we were asked that question for a life insurance examination or on enlistment, would say no, of course not;

because if we said yes, the doctor would start to get busy to see if there was something wrong there. There is no doubt about that. If we want to be strictly honest about this thing, it seems to me that "wilfully concealed" and "concealed", as far as that is concerned, should be stricken from the section.

Mr. QUELCH: Mr. Chairman, I think I have made my position clear on this. I am in favour of striking out the words "wilfully concealed". Whilst it would not be fair to ask Brigadier Melville whether he would favour it, on the other hand I think we all realize it would be removing one of the headaches of the Pension Commission if we should strike out those words. There would be no question on that. Also it would be doing away with one of the great injustices that the soldiers of the war have been suffering from. I should also like to point out that the department or the government, or the treasury perhaps I should say, would perhaps be receiving a certain amount of protection if the recommendation of the Legion on page 4 were carried out. There would be that six months period in which to discover whether or not a soldier was concealing a condition; in view of the fact that within that six months period he is put under very severe training, there is a good chance that any disability he may have and which he has concealed will be discovered before the end of six months.

Brigadier MELVILLE: Mr. Chairman, might I say one word? Reference has been made on two or three occasions to a man who was discharged with a duodenal ulcer and he gave a history of pain in the stomach, and for that reason the commission would immediately state that was pre-enlistment. That is not so. The commission has the whole record and history, and if it was just some negligible incident that happened away back some years ago, we would probably ignore it. But you must remember, in the case histories that are completed during service, it is amazing the record that is there, the history that is given by the member of the forces. It is a very, very complete one, and it is not only given once; it has been reiterated time and again: probably when he goes before his own unit medical officer, then when he goes down to the casualty clearing station or he may be evacuated to a general hospital. In each case he appears before different medical officers and that history is recorded and repeated. That is the evidence which is before the commission when they consider the claim.

Mr. HARRIS: Is he warned that what he says will be used against him every time?

Mr. FULTON: Is not that an argument in favour of the contention that was advanced earlier, that if he is accepted, all conditions having been recorded, then any deterioration or any condition which arises and not recorded, shall be attributed as due to service? That is why I asked Mr. Hale the question whether the adoption of the Legion's subsequent recommendation on page 4, would not clear up the difficulty. I do not think that Mr. Hale actually had an opportunity to give an answer to that, and I should like to get that answer on the record. I should like to know whether that recommendation would clear up all the difficulties which are being discussed now, and still give the Pension Commission its chance wherein if this thing arises within six months, they could then say that was a pre-enlistment condition.

The WITNESS: Mr. Chairman, it would, provided that you eliminated the exceptions. You would have to eliminate the three exceptions; that is, "obvious", "concealment" and "recorded prior to medical examination".

Mr. FULTON: If the one is eliminated which Mr. Green has suggested—that is "wilful concealment"—that meets most of the objections, does it not?

The WITNESS: The Canadian Legion believes that it would be an ideal thing, from our point of view, if you eliminated the three exceptions entirely. Then you would arrive at this position, that after six months that man has taken his training, if no evidence of any disability has been found and he proceeds to a theatre of war, then he is fit and eligible for pension for everything or any disability he may have.



*By the Chairman:*

Q. What do you mean by proceeding to a theatre of war?—A. Because that is what this section refers to, Mr. Chairman.

Q. It is defined in the Act. I think that should always be kept in mind. Theatre of war is defined as service outside of Canada.—A. That is right.

Q. And even in certain cases within Canada.—A. Well, very rare in Canada.

Q. But it is so defined in the Act. Let us not suggest this means everybody that got right into the firing line.—A. I am sorry if I have conveyed that impression. It is outside of Canada; that is true. But it is also true that the great majority of these cases arise from men who have served in the battle area. Those are the cases we are concerned about.

I would just like to say this much regarding wilful concealment. I am very happy to note the general opinion of this committee, and I think if you eliminate it entirely, under section 5 of the Pension Act the commission has discretion to deal with fraud and misrepresentation, and no doubt they can do so. They can protect the state against fraud.

Q. Just on that point, Mr. Hale, as I understand it, section 5, subsection 2 applies only to a case where pension has already been awarded and then it is discovered that there has been fraud.—A. Exactly.

Q. In other words, that would not give the pension commission the right to take into consideration at the time they were granting it, some statement which was made which was untrue?—A. Oh, yes. They have the power to make all the enquiries before they grant a pension.

Q. Yes. But if you take away their right to refuse pension for wilful concealment, then of course they could not cancel it under section 5, subsection 2, afterwards. There is no use confusing ourselves.

Mr. GREEN: I think you are wrong there, Mr. Chairman.

The WITNESS: Mr. Chairman, they have power under section 5 to cancel any award.

The CHAIRMAN: Let us get this clear. Suppose there is a case of a man who wilfully conceals, fraudulently conceals, or whatever you may wish to call it, a disability. He gets taken into the army and gets as far as England, we will say. Then it is discovered that he has a family history, perhaps running back for 10 years, and he comes forward and says, "I want a full pension for this disability; I want full allowance." If you have taken "wilful concealment" out of the Act altogether and left it to rest entirely upon "obvious" or "recorded", he will be entitled to full pension. We will assume that he has not been the kind of man who has gone to doctors or to hospitals but there was no doubt he must have had this condition for some years, and he knew he had it, but you cannot prove it was ever recorded on medical history. If you take "wilful concealment" out of the Act that man will be entitled to full pension.

Mr. GREEN: Pension for the full disability.

The CHAIRMAN: Yes, even if he had had that in large measure when he went into the army. If you suggest you can cancel it under section 5, subsection 2, you are suggesting something which I submit to the committee is not correct, because if you give a man the right to a pension, even though he conceals his condition—

Mr. Mutch: If it is not fraudulent.

The CHAIRMAN: —then the pension is properly awarded. Then under subsection 2 of section 5 it says that the commission can cancel if it is awarded in error or is awarded on any fraudulent basis. In other words, they might cancel it afterwards; but if it is properly awarded they certainly cannot cancel it afterwards.



Mr. FULTON: There are two observations I should like to make about this. The first is that it would be quite open to change section 5 to provide that the commission shall be entitled to cancel the award if there was any fraud in anything leading up to the pension. But I do feel bound to observe, with some care, that the cases you are citing and the arguments you are advancing against this suggestion, Mr. Chairman, seem to me to be open to the objection to which so much of our pension and hospital legislation is open, that we are trying to legislate against the fraud, the crook, the man who wilfully conceals; and in our anxiety to see that he does not get a cent to which he is not entitled, we take away from the vast majority—that is, from the good soldier, the good sailor or the good airman, who are in the vast majority—something to which he is entitled, because in effect we remove from the Act the principle of the benefit of the doubt.

Mr. BENTLEY: I think also, in your arguments, Mr. Chairman, you are overlooking this recommendation of the Legion that another examination, a secondary examination, be made six months after. Six months might not be the right time. Maybe they should have two examinations, one in six months and one in twelve months; but in any case that recommendation safeguards the military medical authorities.

The CHAIRMAN: But the war is over, and if they did not hold that six months examination, there is no way of knowing.

Mr. BENTLEY: As Mr. Fulton says, it is far better to try to give it to the deserving than to try to catch the chiseler all the time.

Mr. MUTCH: Perhaps I am stupid—

Mr. CRUICKSHANK: I would not go that far.

Mr. MUTCH: Thank you, Mr. Cruickshank. I do not know that you are a competent judge. I was not aware that the chairman was presenting an argument for or against.

Mr. BENTLEY: It sounded like it.

Mr. MUTCH: I was under the impression that he was questioning those who were qualified to know as to the legal position under the amendment. I am particularly interested in this, because I am one of those who are concerned about this wilful concealment business; and I would hesitate to take it out of the Act unless I can have the assurance of the chairman and those who should be qualified to know, that we are not indeed doing a disservice. To a layman such as myself, it looks like a good thing to take it out. But if there is an element of protection which the committee in drafting this Act some years ago looked for, then I think it is time to examine the position and to find out where it is. I do not think it lies in the mouth of anyone in the committee to suggest that any of us at the moment are arguing a case against, or a case for, for that matter. We are seeking to get some information.

Mr. BLAIR: What right have we to use the words "wilfully concealed" and "fraud" to any man who had four months or six months or a year of combat experience? I think it is obviously unfair.

The CHAIRMAN: But the terms have to be understood. There would be, I fancy, not more than 25 per cent of these boys who got outside of Canada and had combat experience. I doubt if there was 25 per cent. Let us not confuse our terms. That is what I suggested to the Legion when they say a man in the front line. This section that we are dealing with applies to everybody who got outside of Canada. Members of this committee will have an idea as to what proportion of those who got outside of Canada got into the front line. What I am concerned about is that the committee will bear in mind the meaning of these terms, and I think that you would want me to do that. For example, on this

question of wilful concealment, it was suggested that that be taken out of the Act. I took it up with all the pension commissioners that were in the city at the time, and asked them to produce their files to see, if we took that out of the Act, whether it would hurt anybody. They said, "We have cases where there has been no disclosure by the man, but where we figured that he was not dishonest, where he did not wilfully conceal, and we gave him full entitlement for his disability. So if you take wilful concealment out, you would punish the man who was honest about the thing."

Mr. GREEN: How on earth could they argue that under the Act? Can you tell me that? Can you explain to me how on earth they interpret the Act in that way?

The CHAIRMAN: They produced the files.

Mr. GREEN: I do not care about their files. Can you tell me on what basis they argued that?

The CHAIRMAN: The basis on which they argued it is this. Again, to suggest to the committee how this section stands to-day, if a man who gets service outside of Canada has an aggravation of a disability, he gets the full amount of the disability; that is, he may have only aggravation to the extent of one-fifth, but he will get the whole allowance of five-fifths for the disability if he got service outside of Canada unless there are three things, obvious—

Mr. GREEN: One of three things.

The CHAIRMAN: Yes,—wilfully concealed or recorded on medical documents. If the Commission cannot bring it within one of those three exceptions then in the case of a man who saw service outside of Canada if there is aggravation he gets the full allowance for his disability even though everybody knows he only had a disability while he was outside Canada of perhaps one-fifth. He gets the full amount. Now, it is put in the Act that if there is an aggravation he will not get the full amount including being paid for what he had when he went into service if it is obvious. That is granted. Then the next is if it is recorded in a medical document; that is granted. Then there is the third class where if they cannot find that it was ever recorded and it was not obvious they decide if he wilfully concealed it. I am assured by the Commission that they give the full meaning to those words, "wilfully concealed." They say if it was only a matter such as has been mentioned by one of our friends in the committee, that the man did not realize there was anything wrong with him and had no dishonest intention of concealing anything, and then there is aggravation when he goes overseas and there is nothing in the medical documents, and it is not obvious, he gets the full allowance. They produced files to show that, because I had the same suspicion as Mr. Green.

Mr. GREEN: That does not support what you said.

The CHAIRMAN: Yes, it does.

Mr. GREEN: You said it was to the advantage of the man to leave those words in there "wilfully concealed."

The CHAIRMAN: If you are going to take it out altogether then you let the man in who wilfully concealed his condition when he went into the army. You are going to say that you will pay that man the same as any other man. We will take the case of a man suffering from a duodenal ulcer and the Pension Commission is unable to find that there was ever any medical record of the matter. It is surely not obvious, but the fact remains that he had a history of steady duodenal trouble. They find that he has some aggravation when he gets overseas, in England, we will say. Then the Commission will say, "When this man came to enlist did he wilfully conceal this or did he figure that it was the sort of thing that everybody has, that everybody has trouble with their stomach now and again"? If they figure he was not dishonest in making that answer—



this is what I am told, and there is no doubt that the chairman can correct me—if they find that there was no intention to deceive, no wilfulness, that it was just an ordinary matter such as the gentleman here mentioned, that he wanted to get into the army and he did not think there was anything really wrong with him, then he gets the full allowance.

Mr. GREEN: Then they should be glad to have those words struck out.

Mr. FULTON: Do you think it is fair to throw that onus on the Commission?

The CHAIRMAN: If there is any way to make sure and make it easier for the Commission to carry out the policy as they are today and at the same time not force them to give full entitlement to a man who has wilfully concealed it then I think we should adopt that method.

Mr. CRUICKSHANK: They do not have to do that now, do they? The Pension Commission still have discretion as to whether or not they will give it.

The CHAIRMAN: They try to interpret the Act, and if you give them the right to refuse the man whom they figure has been dishonest then it is in accordance with the practice that they are trying to follow. I think that is correct, is it not, Brigadier Melville? You are trying to follow the policy of giving it to the honest man as long as he did not wilfully conceal it?

Brigadier MELVILLE: Unquestionably.

Mr. FULTON: There are courts of law to decide that. They should not have to decide whether a man is honest.

The CHAIRMAN: They have to under this Act. They are given full powers under the Act.

Mr. FULTON: I say it is not fair to them.

The CHAIRMAN: Who is going to decide it if not the Pension Commission unless as a committee we say that we will throw aside all these questions and say that a man shall get it whether he is honest or dishonest. I understood that the committee agreed that a man who is dishonest should not benefit by his dishonesty where he is wilfully dishonest. If the committee can work out some system whereby we can make it plainer than ever that the honest soldier is to get the benefit of this section I am sure that the Commission would welcome it.

Mr. CRUICKSHANK: May I ask a question in that connection?

The CHAIRMAN: If I may finish, if a man is ruled to have some aggravation, say two-fifths or three-fifths, then they might say, "You will get an allowance for your two-fifths or three-fifths aggravation; you will be paid a pension for that but because you wilfully concealed it you will not get the full allowance." The man is angry because he is branded as having wilfully concealed something and the thought has occurred to me that you might say in the section there, "failure to disclose", and then protect the honest man by defining "failure to disclose" and saying that it only shall be found where there was wilful or fraudulent concealment. In other words, then they would only need to deprive a man of full entitlement where they definitely found that there was no disclosure under the section and they would have to find under the definition that it went as far as being wilful and fraudulent.

Mr. SINCLAIR: Wilful and fraudulent, both.

The CHAIRMAN: Yes, because I agree that it is the intention that the honest man should not be deprived of it. It seems to me that gets away from them having to find in the first place that the man wilfully concealed something, and it makes very sure that he is not deprived of his full entitlement if there is aggravation unless they find that there is wilful and fraudulent concealment. It seemed to me that it was a way out of the difficulty. I may say in justification of my taking your time that I have spent more time on this discussing it



with members of the Pension Commission trying to find a way out of this difficulty than most members of the committee would be able to spend on it. Therefore, I hope you will realize when I interpose in this way it is in an endeavour to put the time I have spent on the matter at the disposal of the committee.

Mr. CRUICKSHANK: May I ask a question? I have not taken any time to-day. To satisfy my friend, Mr. Mutch, probably I am stupid in this.

Mr. SINCLAIR: There is no doubt about that.

The CHAIRMAN: Mr. Cruickshank, I might say a word in regard to such things as "stupid" and so on off the record.

(Off the record.)

Mr. CRUICKSHANK: It is still not clear to me. I do not know how you could improve on the Legion's proposal. I do not believe there is a veteran—and I am speaking of veterans of the last war and I presume some in this war—who ever went in who did not conceal something. This can be off the record.

(Off the record.)

Even taking the chairman's explanation I do not think there is any better way to cover it than to wipe it out and adopt the Legion's suggestion. If you want to make it more than six months make it twelve months. I am not a medical man. We have one medical man on the committee. I doubt very much if the Pension Commission could tell after a man had been in for a year if he wilfully concealed it. I am not a medical man, but I think Doctor Blair will agree with that. I do not think it is feasible or possible. As one of the members said we are supposed to give the benefit of the doubt, but it appears to me we are leaning backwards to take away that benefit of the doubt instead of increasing it. I do not want to take up too much time, but I will certainly support that. Possibly the Legion's suggestion could be improved. It might be increased to eight months or ten months, but it seems to me that we are going to penalize the majority to benefit the minority. One of the members said that only 15 per cent got into the firing line and I understood you to say it was 25 per cent, Mr. Chairman..

The CHAIRMAN: I did not know. I estimated that perhaps it was not more than 25 per cent.

Mr. CRUICKSHANK: But after all these men went overseas.

Mr. LENNARD: Where was the firing line in this war?

Mr. CRUICKSHANK: If only 15 per cent got into the firing line I presume that the greatest number of applications that come before the Pension Commission come from those men. If 15 per cent got into the firing line I should like to know the percentage of applications for pensions that came from them. Those who went overseas may have been wounded by bombs or by something else. They may have been torpedoed. Personally I am all in favour of withdrawing this clause and substituting the recommendation of the Legion, perhaps increasing it to eight, ten or twelve months.

Mr. FULTON: In that connection I think we would have to amend the recommendation to that effect because as the Chairman very fairly pointed out the war is over and they do not have examinations any more. When we come to that my suggestions would be that it be amended by substituting for the second line of the recommendation the words:

"Where a man served in any of the forces for more than six months", and striking out the words in the third line, "or later". It would then read:

"That the Pension Act be amended to provide that where a man served in any of the forces for more than six months after enlistment, any disability occurring thereafter should be considered as having been incurred during service and attributable thereto."

I think that would take care of the objections raised in connection with the man who has a duodenal ulcer, for example, because it was established that the purpose of his concealment, if there was any, was so that he could go overseas and fight. That is the example given by you. If he was willing to endure eating army food with a duodenal ulcer and it was not found out for six months I submit he is entitled to a pension anyway. I think that six months provision could be extended to a year, or anything that this committee may decide. That would take care of most of the cases which you have in mind as to the man who actually fraudulently concealed some condition which subsequently becomes pensionable or is pensionable because if it was not found out in a year under active service conditions, not only fighting conditions but conditions of active service, army food, route marches and training, I submit he is entitled to his pension for it at any later time that the condition becomes obvious.

The CHAIRMAN: Brigadier Melville wishes to deal with section 5.

Mr. GREEN: I wanted to make one remark.

The CHAIRMAN: Surely.

Mr. GREEN: As I understood it you suggested that we change section 11, 1 (c) to read "wilfully and fraudulently concealed".

The CHAIRMAN: No. What I suggested was that we put in there "was not disclosed", and then define "was not disclosed" in the definition section so that it would only found if there was wilful and fraudulent concealment.

Mr. GREEN: I think there is a very serious objection to that, Mr. Chairman, and it is this. There are hundreds of cases being considered under section 11, 1 (c). If your suggestion is carried out, or if the section stands as it reads at the present time, in every one of those hundreds of cases the Commission has to consider whether or not the man was fraudulent. I do not think that is fair to them or fair to the soldier. I think their power to deal with the man who has been fraudulent should be set out in another section of the Act. That is not clear in section 5. There is quite a lot to be clarified. Then when they run across the one case in five hundred that is fraudulent they can deal with it under another section, but do not have them make that decision in each case as to whether or not the man has been fraudulent. I think that the intention of the Act was that they should only have power to deal with the crook, which would be a very rare case.

Mr. MUTCH: In order to settle this matter should we not have the opinion of the law officers of the Crown as to whether you are right that they are protected under section 5 or the chairman is right when he doubts that they are?

The CHAIRMAN: Mr. Green suggests that we extend it if necessary, which is another way of meeting the same thing.

Mr. GREEN: I think that would then meet the difficulty in the right way. In other words, the Commission could deal with the rare crooked case and deal with it under another section so that when they are dealing with the run of the mill case under 11, 1 (c), they will not have to consider in each case whether there has been fraud.

The CHAIRMAN: There has been a suggestion made by Mr. Green which I think is worthy of consideration, and then there is the suggestion which I threw out to the committee and which we have discussed. I wonder if Brigadier Melville would consider it a good thing to give some thought to this matter, discuss it with the other Commissioners and prepare a memo for us.

BRIGADIER MELVILLE: We would be very pleased indeed to do that, Mr. Chairman. If we get the proceedings of the committee expeditiously I will have time to discuss it in full with the members who are here. I think it is very necessary that you should distinguish clearly between section 11 and section 5 of the Pension Act. Section 11 has been termed on many occasions,

I believe, the keystone of the arch through which all claims for entitlement to pension must go. When you come to section 5 of the Act this is the one which defines the jurisdiction of the Commission. It says that the Commission shall have full and unrestricted power and authority and exclusive jurisdiction to deal with and adjudicate upon all matters and questions relating to the award, increase, decrease, etc., of any pension award under the Act.

MR. GREEN: Suspension or cancellation.

BRIGADIER MELVILLE: Yes. That is subsection 1. Subsection 2 of section 5 deals with errors in awards. There are a very few cases where the Commission has found that a pension has been awarded as the result of an error on the part of the Commission and not as the result of fraud or misrepresentation or concealment of material facts on the part of the applicant. It has a provision that if the pension has been in effect for not less than five years the Commission may continue the award.

MR. GREEN: Brigadier Melville, are you not reading it the wrong way?

BRIGADIER MELVILLE: No.

MR. GREEN: Subsection 2 provides that if there has only been an error without any fraud or misrepresentation then the pension may be continued?

BRIGADIER MELVILLE: Right.

MR. GREEN: But if there has been fraud or misrepresentation then it has got to be cancelled?

BRIGADIER MELVILLE: The point that I wish to make is that this section only applies after the award has been made. The cases you have been discussing this morning are all those in which initial claims are coming forward before the Commission and no award has been made so that the provisions of section 5 (2) do not apply. There have been these few isolated cases where an error has been found and a man has been on pension for many years. The Commission having established the fact the applicant had nothing to do with that, there was no misrepresentation, no fraud on his part, but that it was an error on the part of the Commission, and, subject to the provisions of this section, we may continue the award. There are such instances.

MR. GREEN: What do you do where it is a case of fraud

BRIGADIER MELVILLE: We can cancel. We have authority in the section.

MR. QUELCH: That could be done immediately after the award had been made, could it not?

BRIGADIER MELVILLE: Pardon?

MR. QUELCH: That could be done immediately after the award had been made under subsection 2 of section 5?

BRIGADIER MELVILLE: No, if such pension has been paid for not less than five years.

MR. QUELCH: I mean it could be cancelled immediately afterwards?

BRIGADIER MELVILLE: It can be cancelled under section 5 (1).

MR. GREEN: If there is fraud you can cancel it at any time.

THE CHAIRMAN: It says here:

Provided that the power vested in the Commission to cancel any award of entitlement shall not extend to any award of entitlement granted by the Federal Appeal Board, the Pension Tribunal, a quorum of the Commission, an Appeal Board of the Commission, or the Court.

That section as it exists today certainly would not give the necessary powers. That is why I suggest that they study the matter and see if it is not possible to do something.



Mr. GREEN: With regard to making an award in the first place if you found fraud before you made the award you would not grant the award anyway, would you, because you would find that the man had not made out his case? Is that not the picture right now?

The CHAIRMAN: You would have to define fraud then.

BRIGADIER MELVILLE: Correct.

The CHAIRMAN: That is the point.

Mr. GREEN: I do not think so. If they found the facts were not as he alleged then they would not make the award, anyway.

The CHAIRMAN: I think this matter is worth while studying. I think there is something in it myself, that if you find that there is fraud you can withhold it under your general powers.

Mr. MUTCH: After the discussion this morning, Mr. Chairman, is not the opinion of the committee sufficiently crystallized so that you and Brigadier Melville could meet in consultation with the law officers of the Crown, look at sections 5 and 11, and devise some sort of formula which would centralize the discussion and allow us to clear it up quickly?

The CHAIRMAN: It was my suggestion that Brigadier Melville would bring in a memorandum for the next meeting.

Mr. MUTCH: He will have the advantage of the opinion of the law officers because when two eminent lawyers disagree on interpretation the only thing is a referee.

Mr. SINCLAIR: There is one thing more following up Mr. Fulton's suggestion. I should like to know not from a pensions board doctor and not from an army doctor but from the doctor on this committee if a man who wilfully conceals something on enlistment could go through six months of training and drill and not have it show up?

Mr. BLAIR: I have more faith in the medical profession than most people here. I agree with Mr. Cruickshank, and I agree with Mr. Fulton. I do not believe that there are very many physical conditions that cannot be found out after six months training in the army. I should like to know from Brigadier Melville just how many cases there are and what types they are? I think if a man trains for six months that any condition would be obvious. Mr. Chairman, I think the case you cited of a man having cancer for a couple of years is out of the question. I do not believe that such a thing could happen.

The CHAIRMAN: I am afraid there is a member of our house now who has had cancer for more than two years.

Mr. LENNARD: He was not in the army.

The CHAIRMAN: He has been carrying on a fairly strenuous life as a politician.

Mr. FULTON: But not on army food.

The CHAIRMAN: The illustration I gave was merely to give point to the argument.

The WITNESS: Will you permit me to make one observation? You have mentioned several times this term, "not disclosed". I want to make the position of the Legion very clear. If that should be used unless it is defined very clearly we should have very definite objections to it. Certainly if any failure to disclose a disability is going to be used in any wide sense then we will be much worse off than we are with wilful concealment. So far as the term, "wilful concealment" is concerned it does not always work out. There are all types of cases, and opinions vary. I venture to say that you could get any three members of this committee who would disagree violently as to whether or not there was concealment or whether or not it was wilful. It is a very difficult matter to determine

especially with regard to medical knowledge. That is the difficulty. However, I am very pleased with your discussions this morning, and I do hope that you can arrive at some formula.

I believe that as far as section 5 is concerned what has been stated is fairly correct, but on the other hand it must be remembered that if a pension was awarded and subsequently fraud was discovered the Commission had the power to deal with it. There are penalties in the Act whereby men can be dealt with. They can be fined and imprisoned, and they should be, but as far as the Canadian Legion is concerned as I stated previously it would simplify our task, and the task of the Commission, in our opinion, if you would eliminate these exceptions.

As far as medical examination is concerned, what we have in mind is simply this, that most of these men who went outside of Canada were examined subsequently at some stage. It might not have been six months. It might have been a year. But invariably they were examined, and they certainly were examined before they went to a battle area. It was our idea therefore that if they were fit on that secondary examination, then they should be regarded as fit for pension purposes at all times thereafter. That is mainly our idea. You may differ as far as the amount of time is concerned, but we submit that it should be six months. Our friend Dr. Blair, I think, gave a very clear-cut statement there from the medical point of view, and it does not seem unreasonable to believe that any man who went through basic training and had all the stress and strain for six months, was fit; it does not seem unreasonable to believe that he was fit.

When I appeared before this committee before, I had difficulty in making clear the difference between disease and disability. Now, if you are dealing with pensions you must understand that a man may have a disease and it may not be causing disability, and he does not receive any pension at all. He is pensioned for the disability, not for the disease. Therefore as to these men who served for six months—you will notice we use the word "disability". In other words, he might have a duodenal ulcer, but it was not causing him any disability; and it is disability that the pension is paid for. It may sound rather technical, but that is the principle under which pensions are paid. We have very continuous questions arising with regard to this matter, with regard to assessment. It is not easy to convince some men who have a disease that they have not got a disability, or that the disability is not greater than the Pension Commission has assessed. But there is this question, and it has been a thorn in our side ever since World War I. I hope this committee are going to settle it.

Mr. EMMERSON: I should like to ask one question there. Was it or was it not true that each man who went overseas was examined twice, first on enlistment, then before proceeding overseas?

Mr. SINCLAIR: Yes.

The CHAIRMAN: That is my impression.

Mr. MUTCH: Some had more.

Mr. EMMERSON: That is true. But there were at least two?

Mr. CROLL: Oh, yes.

Mr. EMMERSON: And in all cases, or in most cases, from the time they enlisted until the time they went overseas, there was a period of at least six months, but generally a year or more?

Mr. SINCLAIR: That is right.

The CHAIRMAN: I would be under that impression. Do you know anything about that?

Brigadier MELVILLE: Not as an order. I would say I mobilized a battalion in Toronto. I took that battalion overseas, and certainly all the men were

examined on attestation but there was no order that they had to be examined prior to entraining for embarkation overseas, but a great many were. I mean, my medical officer was instructed by me definitely to make it his business to be very closely in touch with the men and to take any necessary action.

Mr. EMMERSON: If there was no examination then, it is quite different from what it was during the last war, because there was an order during the last war that men going overseas had to be examined.

Mr. Mutch: All drafts proceeding after some date—I believe it to be about May, 1940—were re-examined.

Brigadier MELVILLE: Drafts—yes.

Mr. BLAIR: They were examined early and often.

Mr. GREEN: May I ask Mr. Hale where he stands now with regard to his representation? Is he still standing behind the two representations dealing with pre-enlistment condition? The first one is "that the Pension Act be amended to provide that, after a secondary medical examination held six months or later after enlistment, any disability occurring thereafter should be considered as having been incurred during service and attributable thereto;" and the second one is that there should be added at the end of section 11 (1) (c) these words "except where aggravation of a disabling condition existing prior to enlistment has occurred during service, the deduction from the actual degree of disability shall not exceed 10 per cent."

Mr. Mutch: Is that 10 per cent of the whole, or 10 per cent of the aggravation?

Mr. GREEN: I wanted to know whether he still stands behind those two recommendations or whether he wishes to make any change.

The WITNESS: Mr. Chairman, those are the official recommendations of the Canadian Legion. I have no power to vary them. But the discussion of the committee this morning goes quite some distance beyond the way our recommendations read, as for instance with regard to this question of wilful concealment. Certainly, I would never look a gift horse in the mouth, gentlemen. If you want to go further than the Canadian Legion goes, we will stand on the side lines and cheer you on.

*By Mr. Green:*

Q. If you take out the words "was wilfully concealed", then you still want your second recommendation to be adopted: that the deduction from the actual degree of disability will not exceed 10 per cent?—A. Yes. We have to have a limit in there, unless you are going to take out the other two exceptions.

Q. And what do you say to Mr. Fulton's suggestion by way of amendment to your recommendation?—A. I think from our point of view our first submission was the soundest; we only submitted this proposal about the 10 per cent because it was our wish to clarify in the minds of this committee some arbitrary way of settling the question, because it was stated that it was not sufficiently clear. This was submitted as an alternative.

Mr. FULTON: The other one would take care of the whole situation.

The WITNESS: Oh, yes.

*By the Chairman:*

Q. Now, Mr. Hale, I take it that you have completed your submission on behalf of the Legion in respect of pensions, and that you will be standing by to make further submissions as the discussion proceeds; I suppose you will be on hand?—A. Mr. Chairman, in regard to that may I say that we have completed our submission and that we shall be available. However, as you know, we have our dominion convention which will be held in Quebec City on the 19th of



May. As you know, that is a very important affair, and I shall be there; but in the meantime at all times I hope you will feel free to call on us for any help we can give.

Q. Thank you very much.

Mr. SINCLAIR: Mr. Chairman, with regard to the Legion convention, may I ask if this committee is going to sit during the time that convention is meeting? There are quite a few of us who are interested in that convention.

The CHAIRMAN: We will decide that later. The members of the committee will consider the matter. May I say in conclusion that on Thursday we will have before us Mr. H. Parker, C.B., M.C., who is the permanent secretary of the British Ministry of Pensions, to give evidence as the committee may wish in regard to some of the aspects of the British Pension Act.

The committee adjourned to meet on Thursday, May 9, 1946, at 11 o'clock a.m.

Dr. Doc  
Can  
Com  
✓  
CA1  
XC2  
-45V21

Canada, Veterans Affairs,  
— 2<sup>nd</sup> Spec. Comm. 1946

SESSION 1946

HOUSE OF COMMONS

SPECIAL COMMITTEE

(ON)

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

THURSDAY, MAY 9, 1946

WITNESS:

Mr. H. Parker, C.B., M.C., Permanent Secretary, The British Ministry of Pensions.

OTTAWA

EDMOND CLOUTIER

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1946







## MINUTES OF PROCEEDINGS

THURSDAY, May 9, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Harkness, Herridge, Kidd, Lennard, Marshall, Mackenzie, MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Quelch, Robinson (*Bruce*), Ross (*Souris*), Sinclair (*Vancouver North*), Skey, Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Winters, Wright.

*In attendance:* Mr. H. Parker, C.B., M.C., Permanent Secretary, and Mr. Geo. H. Bowler, O.B.E., Ministry Representative, The British Ministry of Pensions; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister of Veterans Affairs.

Mr. Parker was called, heard, questioned and retired.

At 1.10 o'clock p.m. the Committee adjourned until Friday, May 10th, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

9 May 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: As you know, to-day we are to hear from Mr. H. Parker, C.B., M.C. He is permanent secretary of the Ministry of Pensions of the British government. He is prepared to give the Committee an outline of the British Act and the operation of it, so that we will have some idea how the British government is dealing with the same problems with which we are dealing at the present time. The permanent secretary is, I understand, in somewhat the same position in regard to the British Ministry of Pensions as a deputy minister would be in our set-up. I would now call on Mr. Parker to speak to the committee.

**Mr. H. Parker, C.B., M.C., Permanent Secretary of the British Ministry of Pensions, called:**

The WITNESS: Mr. Chairman and gentlemen, I feel very much honoured by being asked to do this. Before I say anything, may I make one remark, and that is that I am not a doctor. I do not possess any real medical knowledge and therefore I hope that no one will expect that I can deal with, shall I say, purely technical medical questions. One naturally picks up a certain amount of pseudo medicine after a time, but I am very much an amateur doctor, if I may say so.

There is, I think, one point that I ought perhaps to mention right at the outset, because it is a marked difference between the British practice and the practice over here, and that is that with us there is, in the matter of entitlement, no difference at all according to how or where the man served. We have one basis of entitlement for everybody. Our problem in this respect is not confined to the ex-service men. During the recent war our activities have covered quite a number of other categories. We have had the merchant navy; we have had all the civil defence services in Great Britain, and we have had the whole of the civilian population of the country in so far as they sustained war injuries as a result of enemy activity or as a result of our own activities in combating the enemy. To that extent it is possible that we approach some of our problems from a rather different point of view than the one from which you would naturally approach them in Canada.

On this question of entitlement, so far as we are concerned the provision is laid down in article 4 of our Royal Warrant. Although it is a little lengthy, perhaps it might be helpful if I actually read that to the members of the committee. That article reads as follows:—

(1) The disablement or death of a member of the military forces shall be accepted as due to war service for the purposes of this our Warrant provided it is certified that—

(a) the disablement is due to a wound, injury or disease which

(i) is attributable to war service; or—

(ii) existed before or arose during war service and has been and remains aggravated thereby; or—



And then in death cases there is similar provision.

(2) In no case shall there be an onus on any claimant under this our Warrant to prove the fulfilment of the conditions set out in paragraph (1) of this article, and the benefit of any reasonable doubt shall be given to the claimant.

That is what is known as the "onus of proof" clause.

(3) Where an injury or disease which has led to a member's discharge or death during war service was not noted in a medical report made on that member on the commencement of his war service, a certificate under paragraph (1) of this article shall be given unless the evidence shows that the conditions set out in that paragraph are not fulfilled.

That is what is known as the "presumptions" clause. And finally:

(4) Where there is no note in contemporary official records of a material fact on which the claim is based, other reliable corroborative evidence of that fact may be accepted.

That is a small point which I do not think need trouble us here. It merely says that we can accept evidence which is not written documentary evidence; in other words, oral evidence by someone with whom the man served can be accepted by us.

You will note, sir, from the wording that of course there is another respect in which we differ from Canada, and that is that our authority is not so much an Act of Parliament as a Royal Warrant. It follows the old practice in regard to pay and technically our awards are made under the prerogative. We can, of course, alter and amend our Warrant without any revision of an Act of Parliament. A revised Royal Warrant is laid before the House of Commons and points can be raised on it if members so wish.

On the second clause of that article dealing with the onus of proof, the position is that that article makes it clear that the onus is on the ministry to negative the claim; and to do that it requires evidence amounting, as the High Court expressed it fairly recently, to a real preponderance of probability. That, I gather, is a rather legal form of phrase, but I think probably most of us understand what is in fact in mind.

It might perhaps be helpful at this stage if I indicated very briefly what are the main kinds of grounds on which one is unable to grant a pension in the case of men who have been invalided from the forces. In a good many cases we find that there has been no worsening during service. In a number of other cases we find that although the man has been invalided from the forces, there is in fact no disablement on discharge. Another common type of case is where a disability was aggravated by service, but where that aggravation has been removed by efficient treatment prior to discharge. Finally, there is the type of case where we are satisfied that service conditions played no part in the onset or development of the disease.

Mr. Chairman, perhaps I might now pass on to the third subsection of the entitlement article. That is the one which, you may remember, reads as follows:—

(3) Where an injury or disease which has led to a member's discharge or death during war service was not noted in a medical report made on that member on the commencement of his war service, a certificate under paragraph (1) of this article shall be given unless the evidence shows that the conditions set out in that paragraph are not fulfilled.

The proper interpretation to be placed on that clause has recently been the subject of a pronouncement by the High Court, which has said that the correct

interpretation is as follows. If a man is accepted for service in a certain medical category, there is a presumption that at the time of his acceptance he was fit for the kind of service demanded of a man in that category, and that in the event of his discharge subsequently on medical grounds due to deterioration in his health there is a presumption that the deterioration was due to service. The High Court went on, however, to say that the presumption is not a compelling presumption but a provisional one. In other words, translating the legal language into what is more or less everyday language, what they said was that the presumption is not an irrebuttable presumption but is a presumption which can be rebutted, given that certain circumstances are satisfied. They said that the presumption is not a compelling presumption but a provisional one, and that in order to defeat the claim the evidence had to show a real preponderance of probability that the condition was not aggravated by war service. Put in other words, the presumption can be rebutted provided there is good and sufficient evidence to do it.

We have also had recently some guidance from the High Court on what is good and sufficient evidence, particularly in regard to that rather difficult type of case which I think we call—and I believe, from what I have seen in the minutes of your proceedings, is also called over here, by the same term—the obscure disease type of case. The High Court upheld the view that whilst the precise cause of the disease may remain obscure, there may be adequate material of a scientific or statistical nature as known to the medical profession to enable the doctors to exclude external factors as having any influence upon the disease. In the case which they actually had before them, they held that the opinion of the medical officer of the Ministry who had expressed the view that external factors had played no part in the onset of this particular disease, was in accordance with probability and represented good medicine in the sense that the great majority of modern doctors with any specialized knowledge of the disease would agree with it. In other words, they upheld the view which he had expressed, that the mere fact that you could not say precisely what was the cause of a particular disease did not mean that there was an automatic title to pension.

There was one other point, sir, that perhaps I might mention because I think it might explain how we in practice deal with our cases. I did hear some of the proceedings of this committee on Tuesday morning, and there was a reference to a heart case where, apparently, the doctors could not quite make up their minds whether or not there had been anything the matter with the man when he enlisted. If we were confronted with a problem of that kind, the first thing we should have to do is that we should have to make up our minds in the light of all the available evidence which of the two enlistment reports was probably correct. Let us assume we took the view that the report that the heart was bad was the more correct of the two reports. If we reached that conclusion, we should proceed on that basis, notwithstanding the fact that a later enlistment board had not discovered that particular fact. The question we should have to ask ourselves would be, "Is the man's condition on discharge worse than it was when he went in?" If we were satisfied that the condition was no worse, then there would be no pension. On the other hand, if we were satisfied that the condition was worse, the onus would then be on us to show that that worsening was not due to service if we proposed to refuse the award of a pension. If we could not show that the worsening was not due to service, we should award a pension and we should base our award on the actual degree of disablement of the man at the date of discharge. I do not know whether that may be of any help in explaining our practice, but I thought as that case had been raised it might perhaps show how we proceed with things if I related it to the hypothetical case that was put forward, rather than tried to talk generally.



Mr. Chairman, I could talk for hours and hours about the various details, but I felt that if I said too much I should most certainly confuse the committee. Therefore I have endeavoured just to confine myself to the main principles underlying the British system as it exists at the present time. I am only too willing to deal with any point which either I have not covered or which may arise out of what I have said.

The CHAIRMAN: Do any of the committee wish to ask Mr. Parker any questions arising out of his statement?

*By Mr. Green:*

Q. Mr. Parker, I am particularly interested in your third article which has to do with pre-enlistment conditions. How long has that article been in effect?—A. That article was brought into operation as from a date in the summer of 1943 following the White Paper on changes in war pensions which was issued in July, 1943. It was command 6459. It is from the time when the announcement was made in the House of Commons to which there was some reference early in your proceedings here. There was some reference to what Sir John Anderson said on a certain occasion. That is from when this article has been in operation. It is very nearly three years now.

Q. Does that White Paper explain the article in any greater detail than your explanation this morning?—A. Not a great deal. I could read you what it says. What is important, of course, is the interpretations which the High Court have recently placed on the actual wording of the article because the High Court takes the view that they are concerned with what the article says, not what the government in announcing these proposals may have indicated that they meant the Article to say. It says here in paragraph three of that White Paper:—

His Majesty's government accepts the view that the fact that a man is accepted for service in the present war in a certain medical category may be taken as presumptive evidence that (a) at the time of acceptance he was fit for the kind of service demanded of a man in that medical category; and (b) in the event of his being subsequently discharged on medical grounds any deterioration in his health which has taken place is due to his service. While the Minister of Pensions will pay regard to any other evidence, including the consensus of medical opinion regarding a particular disease or group of diseases, which throws doubt on the presumptive evidence of the medical category in which a man was placed at the time of his acceptance for service, or on the presumption that service has played a part in the onset or development of the disablement, he will give full weight to the general view expressed above.

Therefore, I think the answer to your question is that really the White Paper says no more than is in the Royal Warrant. The Royal Warrant is perhaps in slightly more technical language than the language used in the White Paper, and the interpretation to be placed on the language of the Royal Warrant has within the last two or three months been authoritatively pronounced upon by the High Court.

Q. The interpretation put on the wording by the High Court was in effect the same as the statement made in the White Paper, was it not?—A. Yes.

Q. Would wording such as this mean the same thing as paragraph 3 of your warrant?

It shall be presumed that an applicant's condition as recorded on his admission to the service was in fact his condition at that time and that any subsequent deterioration was due to his service.

A. No, I think my answer would be that it would not be the same because as I should interpret it that presumption is what our High Court would have called



a compelling presumption and not a provisional one. In other words, expressed in that way it is a presumption which cannot be rebutted by other evidence. Therefore I should say that would represent something quite different from the presumption clause in our Royal Warrant.

Q. The paragraph I have read goes further than your Royal Warrant?—

A. The paragraph which you have read seems to me to set out in semi-legal language something very, very close to what is frequently described in the slogan "Fit for service, fit for pension."

Q. What was the reason for adopting this third article of the Royal Warrant? What set of circumstances led up to that change?—A. There was a good deal of discussion in the House of Commons in 1943 on the provision in regard to war pensions. At the time the Government went into the whole matter and they felt that to some extent the criticism was based on misunderstandings and to some extent the criticism had raised points which were worthy of consideration and modification. As a result of a very full review of the whole subject the Government decided that in future the basis of entitlement should be expressed in the way in which I have read it to you. I think in further explanation of that all I can really say is that the Government felt that expressing things as they did represented a fair deal for the man and a fair balance.

Q. Can you give us one or two examples of cases that would be met by this amendment?—A. It is not easy to think up cases. If one gets the case with all the facts before one, one can then say how, in fact, the Warrant would be applied. Let us take a case of a man who was accepted for service in the army and was posted to the Royal Army Service Corps where he was employed driving a heavy lorry. Let us assume after two or three years he was invalided out with bronchitis. His papers would come to us, and we should go into his case. We might find and, in fact, we probably should find when we got the man's pre-enlistment history that there was a record of pre-service bronchitis. We should then have to consider whether the man's condition on discharge was worse than it was when he went in. Let us assume we were satisfied that it was. We should then accept that case for pension unless we could show that that worsening was in no way due to war service. In the circumstances which I have set out, a man engaged in all sorts of weathers at all sorts of times driving a three-ton lorry, it is almost certain that the view which we should take would be that there were no grounds on which we could attempt to show that that worsening was not due to his service and in those circumstances that man would be given a pension in respect of bronchitis aggravated, and the pension would be related to his degree of disablement on discharge.

Q. Would the pension be for his full disablement on discharge?—A. For his full disablement on discharge.

Q. Even though he had had bronchitis before enlistment?—A. Even though he had had bronchitis before enlistment but, of course, this would be a provisional award. That is to say, it would not at the outset be a final award, and it would be reviewed probably at intervals of about twelve months. If after a couple of years, for example, any worsening by war service had passed away and the man was back more or less in the condition in which he was on enlistment we should then say that aggravation had passed away, and the award of pension would cease.

Mr. GREEN: Thank you very much.

*By Mr. Croll:*

Q. At the end of two years you have decided that the pension should cease. A year later his condition becomes worse again. Then what is the man's position?—A. The man's position then is that the question arises whether that second worsening was causally connected with his war service or whether it was a worsening due possibly to civilian causes or even for that matter to the

natural progress of the disease. We do not accept the position that once having accepted that war service aggravated a condition any subsequent further worsening or recrudescence of the kind you have mentioned is related to his war service. Perhaps in this connection I might mention another point. Suppose we had accepted that disability as attributable to service. Then we should take all subsequent worsening because you see by labelling the disability attributable to service we have said that had there been no service there would have been no disability, and therefore it is quite right and proper to say that whatever is the subsequent history of that disability as it is wholly due, if I may use those words, to service it is only right that he should be compensated for the degree of disability, whatever it may be at whatever time.

*By-Mr. Brooks:*

Q. Mr. Parker, I should like to ask you a question in connection with these cases. I understand that your Act makes it clear that the onus is on the Ministry to negative any claim?—A. That is correct.

Q. And you pointed out the grounds; there is no worsening from service, no disablement on discharge, aggravation removed, and so on. Now, does a man have the opportunity to appeal against these original decisions of your board or department?—A. That is so.

Q. And on these appeals could you give us any idea in what percentage of the cases the man is successful in his appeal?—A. I can, sir. First of all I should like to make this point, that by no means 100 per cent of those to whom we make any award of pension appeal. Quite a large percentage of those to whom we make no award of pension do not, in fact, appeal. Of those cases which actually go to the tribunal about one in four is successful.

Q. That is on the appeal?—A. Yes. It does not, of course, always mean that a man gets a pension which we have refused because there is an appeal on the question of attributable or aggravated. If we have awarded a pension on an aggravated basis the man may, in fact, appeal to the tribunal that his pension should be on an attributable basis. In all of 33,000 decisions which the tribunals have given so far just over 8,000 have been allowed by them and just under 25,000 have been disallowed by them, which is almost exactly one in four.

Q. Is there any further appeal or is that final?—A. That is final except that there is a provision in our Act that, not on a question of fact but on a point of law, there may be an appeal to the high court. I think in all up to date there have been something like 150 applications to appeal on a point of law to the high court. That is in England, Scotland and Northern Ireland.

Q. Is there any presumption that if a man has had say four or five medical examinations and he has been given a certain category in each of those examinations that that is really his category no matter what situation may arise later?—A. The answer to that question would turn very much on the nature of the disability. Let us take my bronchitic to whom I have referred previously. Suppose that man had five or six medical examinations proving him entirely free from bronchitis. It would need very very convincing evidence to show that he had in fact had bronchitis before he came into the forces. On the other hand, supposing a man had had five or six medical examinations and subsequently develops a malignant growth of some kind; in a case of that nature the medical examinations would be of no particular import at all, because it might well have been that at the time of these examinations either the malignant condition had not begun to develop or was not sufficiently developed to be found out by any clinical examination of any kind.

Hon. Mr. MACKENZIE: I was reading over some of the remarks of Sir John Anderson which were referred to by my friend Mr. Green, and I note that he said this—and I wonder if it is still the view of the government or the policy of the department: "In view of His Majesty's government the disablement in



which war service has played no part should be dealt with under the ordinary social service principles"; in other words, the attributability to service is the basis of the pension legislation?

The WITNESS: That is correct, sir; that point was referred to again in the recent white paper which was issued only a few months ago, December 1945, paragraph 2 of which reads: "His Majesty's government are satisfied that the basic principle governing entitlement to pension, namely, causal connection with war service sympathetically administered is sound, and for the reasons given in command paper 6459 they are unable to accept the claim crystallized in the slogan 'fit for service, fit for pension'. They have, however, decided to make the following changes with effect from the first pay-day in February 1946." The changes made as a result of a further review which was undertaken last autumn are not material to the matters with which you are dealing; they related to increased rates and the acceptance of post-injury marriage and the grants of clothing allowances. They were improved financial benefits rather than fundamental changes in the underlying principles.

Hon. Mr. MACKENZIE: You have never adopted in Great Britain the so-called insurance principle that we adopted in the first great war in Canada?

The WITNESS: Never. Of course, our circumstances may have been entirely different, but we have never done so.

Mr. GREEN: The Minister mentioned attributability to service being the only foundation for pension in the United Kingdom. I understood you to say attributability to service or aggravation?

The WITNESS: Yes. Perhaps it is better to put it the other way around—I dislike talking in double negatives but I think I have got to do so—and that is that only where it can be shown that service has played no part in the onset or development of the disease, no award is made under the war pension code; but, of course, the particular man may have an entitlement to certain benefits under the ordinary social services provisions of the country which, as you probably know, sir, are being very substantially improved and increased, probably, in the course of the next eighteen months or so.

The CHAIRMAN: The same as any other civilian?

The WITNESS: Yes.

*By Mr. Green:*

Q. Is there any appeal from the assessment of the degree of disability?—A. There is provision in the Pensions Appeal Tribunals Act for the setting up of assessment tribunals. Up to the present if a man has appealed against his assessment his case has been reviewed and reconsidered by the Ministry. The normal practice in a case of that kind would be to call the man before a fresh medical board in order to get their opinion. Up to the present the view of the government has been that manpower and other comparable considerations have precluded the possibility of the setting up of assessment tribunals. The Act laid it down that there should ultimately be assessment tribunals, but that it should be for the minister to determine when the time was ripe for their being set up, and he then makes the necessary order in council. But on that point, all I can say is that that is a matter which is under consideration at the moment.

Q. Is it the idea that assessment tribunals should be composed of medical men?—A. Perhaps I might explain that the entitlement tribunals comprise three members: the chairman is a lawyer, one member is a medical man, and the third member is a lay member drawn from the same source, if I may use that word without any disrespect, as the appellant. If it is the case of an ex-service man the third member would be a man who served in the forces; if it is the case of an ex-service woman officer the third member would be an



ex-service woman officer of the forces; if it is civilian defence personnel, it would be that. When the assessment tribunals are set up their membership is laid down by the Act as comprising two medical officers, one of whom is the chairman, and a third lay member selected on the same basis as the lay member in the entitlement cases.

*By Mr. Quelch:*

Q. Take the case of the man who drove a truck and after three years was found to have bronchitis and was discharged, you said that you felt that his full disability would be pensionable although apparently he had had bronchitis before he enlisted. If that man had not disclosed the fact that he had had bronchitis before his enlistment would you refuse to pension his full disability on the ground that he had not disclosed the fact that prior to enlistment he had had bronchitis?—A. No, we have no provision of that kind in our warrants at all. On the other hand, of course, we should require to be satisfied that there was some worsening of his bronchitis as the result of his service. I mean that it might well be, and has happened in quite a number of cases, and a good example of that possibly is a man with a fairly mild duodenal ulcer—I do not mean a serious case—but a fairly mild case—this sort of man, we have always gathered, is a bit of a nuisance to any armed force, and in quite a number of cases the force take the view that the man was not really suitable for retention in the service and they invalidated him out, or it might well be that on invaliding it was clear that his condition differed little or probably not at all from his condition pre-enlistment, as would be disclosed by a considerable amount of information and evidence which would be available to the Minister. But we have nothing in our legislation comparable with your wilful concealment, if those are the words.

*By Mr. Mutch:*

Q. That would be a parallel case to the practice we used to have of discharging undesirable persons as medically unfit for duty.—A. I am sorry, I did not catch the question.

Q. The suggestion is that he was discharged more because it is inconvenient for the army to accept his service than for any worsening of his condition?

*By the Chairman:*

Q. Mr. Parker, on the basis that you require the causal connection between service and aggravation of disability it does not matter to you whether he concealed it or not; it must be proved that it was due to service; that is correct, is it not?—A. Yes, or rather if I may put it the other way round, we have got to show that service played no part in the disease; but the fact that a disease was not diagnosed on entry and was diagnosed subsequently does not mean that automatically one accepts that service must have played a part in its development or onset.

Q. What I want to get at is this: is it not clear to you that the reason why we have wilful concealment is that we do not require that it be established that the disease which arose during service which caused the disability was due to service; we only require it to be shown that it arose during service and, therefore, when we have that clause all that must be shown is that it arose during service, and then the point as to whether there was concealment is as to whether he had the condition when he went into the service. So that when you require as a basis of your entitlement the fact that it must be caused by service it does not matter whether he hid it or not; but when we say we give entitlement if it arose during service the question becomes very important whether he got it during the service or whether he did not.

Mr. GREEN: That is not a fair statement.

The CHAIRMAN: I think Mr. Parker is well enough able to say if he thinks the question is unfair or anything like that.

The WITNESS: I was going to say that while I am only too happy to explain what we do and why we do it, and I can fully appreciate that our position differs from the position in Canada, with all respect, I should feel it a little bit presumptuous to offer any views on whether you have adopted certain basic principles wisely or not.

Mr. LENNARD: That is the point. This gentleman was asked here this morning, as I understand it, to explain the British procedure and not to comment to strengthen the hand of the Veterans Affairs Committee chairman.

The CHAIRMAN: Thank you very much for that observation. May I ask another question? If there is aggravation during service and it is clearly not due to service there is no entitlement, is there?

The WITNESS: That is correct.

Mr. GREEN: What do you mean by that?

The CHAIRMAN: The question is clear and the answer is clear. I said that if there is aggravation during service and clearly not due to service there is no ruling of entitlement; surely that is a fair enough question.

Mr. QUELCH: If it is proven.

The CHAIRMAN: I said if the aggravation occurred during service and was clearly not due to service there is no entitlement.

*By the Chairman:*

Q. Now, there is another question I would like to ask you. If the aggravation was due to service to the extent, we will say, of one-quarter or something of that nature, and you so ruled it, he would then, I take it, get the award of the whole amount of the disablement, even though the aggravation caused by service was clearly only to the extent of one-quarter; is that correct?—A. That is correct, sir. Might I explain this? Take my old friend, the bronchitic, that man came into the forces, and let us assume that he had had on enlistment as full and exhaustive an examination as he had on discharge and there had been available as full information as subsequently became available; on that basis it might well have been said that in fact on enlistment that man was suffering from about a 20 per cent disability. When he is discharged the doctors say the degree of assessment is 30 per cent; we shall give that man a pension for bronchitis, aggravated, at the rate of 30 per cent. That, I think, answers your question.

Q. Say he served two years in the army and five years later you find that he is still suffering from a disability to the extent of 30 per cent, is there such a thing as a ruling that he is no longer entitled because it would be presumed that the effect of the service would be worn off and he would have experienced this increase in disability regardless of service really?—A. We have got to determine whether the service and aggravation persists or whether the aggravation or disablement is really due to a natural progress of the disease. Perhaps a rather more common kind of case which arises is the case of a man who had a trouble of his kind when he went into the forces. He was discharged with a slight degree of aggravation. On the other hand it is one of those diseases which is known to be normally progressive and ultimately that man becomes even totally disabled. We should not necessarily accept the deterioration, post-discharge, as deterioration which we could relate to the man's war service. Perhaps, without getting too medical, I might mention one sort of case: take disseminated sclerosis, army service has aggravated it and he has been given a pension, and possibly when he comes out he is only 20 to 30 per cent disabled, and we have given him a pension for that. We must look at every case on its merits; but the probability is that in a case like that we should say: well, it is normal practice for



a disseminated sclerosis case to go steadily down and down hill; war service accelerated that but it certainly was not what caused the man being ultimately 100 per cent disabled. It may have meant that he got there a year or two earlier, but he would probably have got there inevitably whether he served in the armed forces or not.

Q. May I just follow that up, Mr. Parker? In a case where it did accelerate it, we will say, a year, about how soon would his entitlement to pension be wiped out?—A. Really, sir, I do not think I should be fair if I attempted to give a general answer to that question, because it is one of the things you cannot generalize on. It all turns on the facts of the case. We must look at the case from the point of view of what is the fair thing to do for the man, and we should only adjust matters where we could show that the effects of war service no longer persisted. What would actually be the answer would be bound to turn on what were the facts of the case we had before us.

Q. In such a case as that, how often do you re-examine to see if war service aggravation is no longer a factor?—A. After the last war we had very frequent medical examinations or re-examinations, commonly at either three or six months' intervals. They involved a tremendous amount of medical manpower and they caused a considerable degree of annoyance to the pensioners themselves. This time our ideal is to resurvey a case normally every twelve months. There are certain cases where it is pretty clear that there is unlikely to be any change for a longer period than that, and those we might not review until two years have elapsed. Actually we have been very short of staff generally, and on the whole our actual periods of review have tended to be rather longer than what we had laid down they should be.

Q. Let us take the case of tuberculosis. We will suppose that there was no sign that the man had tuberculosis when he entered the army, but when he was discharged it was found that he had a disability with tuberculosis. What do you do with those cases?—A. In a large proportion of the cases we accept pulmonary tuberculosis on the basis of attributability. The actual phraseology we use is as follows:—

If the disease was latent at the commencement of war service and under ordinary circumstances of civil life would reasonably have been expected to remain so, but was made manifest by service factors, acceptance as attributable is appropriate.

I understand that in a good many cases where there is not evidence of direct infection, that is probably not very strict medicine, as in strict medicine the bulk of the cases ought possibly to be regarded as aggravated rather than attributable; but we felt that this would be the fairer way to deal with cases of that kind; that it would be a way which would commend itself to the ordinary man in the street.

*By the Chairman:*

Q. In those cases, suppose a man is discharged and you attribute the condition to war service because it was latent and might have been expected to remain latent had he not been in the service; then when he is discharged he is completely disabled by pulmonary tuberculosis. Then we will say that he goes to a sanatorium and is cured completely of the disease to the extent that it can be cured. Do you continue to pay the full pension, or do you reduce it?—A. Normally what we do is that we continue pension at the 100 per cent rate for at least six months after his discharge from the sanatorium, because we feel that even when the man is discharged from the sanatorium he has probably got to have a period of rest at home before he can resume his place in civil life. At the end of that six months the case would be reviewed on its merits. I am not absolutely sure about this, but I think this is what happens. Let us



suppose that after six months we found that the man was back in industrial life, that he was entirely sputum negative and except that he had to be careful and watch things, a reasonably favourable prognosis was taken. In those sort of circumstances we should probably then give the man an assessment at the 50 per cent rate for a period. How long that period would last would be very much determined by the condition of the man himself. Of course, it may be that although he is discharged from the sanatorium, he is still such a sick man that he never can go back to industry; I mean, he may no longer be sputum positive, a danger to the community, but at the same time he may be someone who has just got to take things very quietly for the rest of his life. In a case like that we should continue pension at the 100 per cent rate, one might say indefinitely.

Q. Do you ever reduce it? If he appears to be completely cured, do you ever reduce it below the 50 per cent?—A. Yes.

Q. If he is completely cured, you would eliminate it altogether?—A. That is not at all beyond the realm of possibility.

Q. Take for example the case of schizophrenia, where a man under the stress of service in the army develops symptoms of that. How do you deal with those cases?—A. We find them extremely difficult to deal with, and a lot would turn on the time factor. We have been advised on this matter by a number of eminent neurologists, and the view which they have expressed to us is that while stress and strain may precipitate an attack of schizophrenia, that stress and strain must be reasonably near to the first signs of the onset of the disease. In other words, they said, "Well, if a man went through a very bad time and two or three months or so later began to show what you now know to be the first signs of the onset of schizophrenia—you may not have recognized them at the time but looking back you know they were the first danger signals—we think it is reasonable to take the view that that attack was precipitated by service." On the other hand, suppose a period of two or three years had elapsed between the period of stress and strain and the first onset of any symptoms; the advice which we have been given is that it would be wrong to regard these as having been any casual connection between the two circumstances. I am afraid I cannot argue the merits of that, because it is a highly medical topic; but that is the advice which we have been given by those eminent neurologists whom we have consulted.

Q. Just following along that line, suppose you do find that it was precipitated by an experience of service, and the man is discharged, and, say, five years after discharge he becomes completely disabled by the development of the disease. Would you give him full pension, or how would you deal with that?—A. That would depend upon whether we had initially conceded attributability or aggravation. I am afraid I cannot say offhand exactly what we should do in a case of that kind, because I think there again we are up against rather the same sort of medical problems as those to which I referred in connection with tuberculosis, that as a matter of pure medicine it probably is aggravation because there was the innate weakness which service has brought out. If we had conceded that it was attributable—

Q. Yes, that is what I mean.—A. —then in that case we must accept the full consequences and we do accept the full consequences of that, and we subsequently pension for whatever is the degree of disablement resulting from that particular disability.

Q. And if you found it to be an aggravation, then I suppose you would follow the other rule, that after a number of years you would find that the aggravation caused by service had ceased to affect the condition?—A. Not necessarily, by any means. Let me take a case. Suppose a man went into the forces with a slight degree of flat-footedness, and he came out of the forces with a greater degree of flat-footedness. We should pension him for flat-footed-

ness as described by the doctors—I forget what the term is—aggravated, and the probability is that that flat-footedness would continue for the rest of the man's life and might well get no better and no worse, in which event he would draw for the rest of his life a pension in respect of aggravated flat-footedness.

Q. Of course, flat-footedness is different from schizophrenia, because schizophrenia is accepted to be a progressive disease which, once it starts, perhaps cannot be arrested. Is that not correct?—A. Yes. On the other hand, of course, in a good many cases, even in its early stages, the degree of disablement is serious and substantial; and it may be that right at the outset, even if we only regarded the disability as aggravated, we should in fact have given a 100 per cent award.

Q. And in that case you would not reduce it if he did not improve?—A. No.

Mr. McKAY: Mr. Chairman, that is a very interesting dialogue, but there are some other members of this committee who would like to ask Mr. Parker a few questions, and time is going on. I wonder if Mr. Parker would be prepared to state the attitude of the British pension commission in cases where the individual might contract a chronic disease such as diabetes or a kidney ailment such as chronic nephritis. In cases like those, obviously there is no pre-enlistment history, and on medical advice we have been told frequently that in the case of strenuous service, or where a person lives under high tension for a time, it may cause development of either of those diseases. What would be the attitude of the commission in cases of that kind? Would it consider they might be attributable to service?

The WITNESS: We have sought advice on the question of diabetes, and the advice which we have been given is that the war of 1914-18 produced no convincing evidence of a casual connection between diabetes and war service, and in fact diabetes occurred amongst British soldiers no more frequently than among men of the same age in civilian life. It is generally agreed that the condition is constitutional with quite commonly heredity as a factor, and that it is rarely caused *ab initio* by the effects of war service. We have, however, been advised that in some cases physical trauma may lead to the onset of diabetic symptoms in a predisposed person but that if this relationship occurs it is expected that the onset of symptoms would be in close time relation to the trauma of a severe type. We have also been advised that there is some evidence that in certain predisposed persons a severe or prolonged psychological trauma may precipitate or advance the onset of symptoms indicating active diabetic disease. Here again the time relation is of particular importance, and the onset of specific symptoms such as extreme thirstiness, loss of weight, etc., etc., would be both speedy and severe and they would normally be present within two or three months of the shock or nervous strain.

Aggravation might reasonably be accepted if the symptoms developed within a period of, say, six months of this acute stress, strain or shock. You might get cases where you ought to look at them carefully up to twelve months. But if in fact there was a bigger gap than twelve months, then the advice that has been given to us is that it really is coincidence and that although no doubt the man concerned throws everything back to something that happened possibly two or three years before, that is very much a case, I am afraid, of the old tag, *post hoc, propter hoc*; in other words, because it happened after, therefore he thinks it happened on account of it. I do not know whether that explanation covers the point.

Mr. McKAY: I was assuming that either of those diseases that I named would have been contracted while in the service, not after.

The WITNESS: That is right. But on the other hand, for example, a man might have taken part in the Dunkirk evacuation and the first symptoms might not have developed until, shall we say, 1944 or 1945. In the intervening period,



shall we say, that man had been on instructional duties at some base depot. The medical advice which we have been given is that you cannot link up that stress and strain of four or five years ago with the onset four or five years after. But if within two or three months of coming back from Dunkirk you had discovered this, it would not be unreasonable to say. "Well, at any rate, there is some doubt about the matter and therefore as there is some doubt, the man ought to be given the benefit of that doubt.

Mr. McKAY: That seems fair enough, Mr. Chairman.

*By Mr. Emmerson:*

Q. Mr. Parker, you were speaking about appeals to the tribunals. In the case of awards on appeal, are those awards as of the date of appeal or are they retroactive?—A. That is an extremely complicated question and one that would take a long time to answer. I am going to admit that I do not know all the details of it, but I can answer the question broadly in this way. If the man has prosecuted his claim with reasonable expedition and continuity, then he would get a retroactive award. But suppose we rejected the claim, that he did nothing for 18 months after, then said, "Well, I don't know, I think I'll have to go to the tribunal" and appealed to the tribunal; in a case of that kind, any award would probably date not as from the date of his original rejection but as from the date of his appeal because we should hold that he had not prosecuted his case with reasonable speed.

*By Mr. Pearkes:*

Q. When you gave your answer to the chairman, Mr. Parker, about the disabilities which were incurred on service but which were not attributable or aggravated by service, what kind of disability did you have in mind?—A. I think probably the one about which we hear most is cancer; that is a very good example. It is not by any means the only one, but it is the one that probably best illustrates the point that I was making.

*By Mr. Blair:*

Q. In all this, without creating certain regulations, much of it is left to the medical board in obtaining the history of the case; that is, you do not attempt to legislate by certain regulations that certain diseases fall into certain categories. That is, a great deal of this is left to the judgment of the medical board, having regard to the history of the disease and knowledge of the disease?—A. That is undoubtedly the position. The Ministry's practice is carefully to review each case and no case is rejected solely on the strength of its label.

Q. Right. In the case of disseminated sclerosis, suppose a boy goes into the service perfectly fit and the case occurs during service. Just what do you do in that case? You mentioned disseminated sclerosis in certain cases.—A. We should have to look at that case on its merits. What would be very relevant would be the nature of the service which the man had rendered. Had he been a clerk in the pay office we should find it difficult to accept the view that that really had had anything to do with the onset or development of his disease. On the other hand, if he had been through strenuous battle service we should very probably, if not almost certainly, take the opposite view. Whether the doctors would advise in a case like that that it should be regarded as attributable or aggravated I am afraid I cannot say offhand.

Q. It would be left to the board?—A. It would be left to them.

Q. I noticed you used the word "worsening", which I think is quite a good term. We have been using "aggravated" a great deal, something that is aggravated. It becomes due to service, does it not? That is, any condition is due to service when service makes it worse? Suppose, for instance, the man with an ulcer or T.B. becomes worse in the service. Something in his service



has made that more advanced than it was previously. That would be aggravation?—A. Yes.

Q. And therefore it should be pensionable?—A. Yes.

Q. But in the case where the medical board decides that even if this condition is more advanced than it was it is not due to service you would label that under the term "worsening" which is really a good term. I think you used that expression this morning.—A. Yes, but in the circumstances which you envisaged at the end of your question I am afraid we should be precluded from granting a pension because although there might have been worsening during service we should have established on the facts, as you have put them, that service had played no part in that worsening.

Q. That is what I was trying to get at. Then there is the question of the T.B.'s. The attitude might be taken that once a T.B. always a T.B., that is, that once a man incurs T.B. then during the whole of his life even if he has a negative sputum, and even if it was considered healed, there is always the danger of a breaking down again. Suppose the T.B. lesion breaks down after five or ten years. You still would attribute that to war service? You have found out in the beginning he had a lesion. Five or ten years afterwards it breaks down. It is recorded on his papers. Will you still attribute that to the war service?—A. If we have given that man an entitlement of attributability then we accept any subsequent breaking down, but if we have given him an entitlement of aggravation, and aggravation only, then whether or not we accept the subsequent breaking down five or ten years afterwards must be based on the facts. A man, for example, might have come out of the forces and as far as one could see he might have been completely healed and with a good prognosis. He then takes up a job. He might push a barrow around the streets selling bananas. I am afraid in a case like that if five years later tuberculosis redeveloped we might be bound to say that it really was not his war service that caused the second onset but it was pushing his barrow loaded with bananas, or whatever it was, around the streets in all and every weather. On the other hand, if we had accepted that the first onset was attributable to service then we are liable for everything that flows from it during the rest of his life.

Q. Do you make allowances for the limitations in the life that he has to lead following his first attack? Suppose a man is a labourer. Of necessity he will not go back to being a labourer again because if he does the chances are that it is more liable to break down so he lives under certain limitations. You make allowance for those limitations, that he cannot work at the same work that he did before. Suppose he is a labourer. Of necessity he has to do much lighter work and possibly will not get as much pay. Does your pension board make allowance for that condition?—A. Dealing with the latter point in our 1945 white paper we did introduce a special provision with regard to that matter. I might say in the first place that what would happen to a man of that kind is that before he was discharged from the sanatorium he would be interviewed by a representative of the Ministry of Labour because that is the department in Great Britain which is responsible for training. They would say to the man, "Well now, look here; you cannot go back and be a labourer. We will train you for some job which is likely to have a less serious effect on your disability than labouring." Labouring is not a good example because if prior to enlistment he had been a general labourer the probability is, at any rate, that whatever job the Ministry of Labour trained him for would be at least as well paid as general labouring.

Let us take a better case, that of a man who was a skilled worker in a shipyard or a steel worker, and who then has to follow some other occupation of a less remunerative nature. We have just introduced a provision with regard to that type of case. It is paragraph 7 in the 1945 white paper.

The majority of men and women disabled in the recent war will be able to return to normal employment. Of the remainder some will be so seriously disabled by war service as to be unlikely ever to find a place in the employment world. In their case a special unemployability supplement is payable up to 20s. a week.

That had been in operation for some time.

There are, however, amongst the partially disabled some who, in consequence of their disablement in the recent war, are permanently incapable of resuming their former occupation or of following, or being trained for, one of equivalent standard. His Majesty's government consider that these cases justify exceptional treatment and they have therefore decided to introduce a special hardship allowance of 11s. 3d. a week or such smaller sum as will bring the partial disablement pension up to the 100 per cent rate.

If you say why 11s. and threepence it is 25 per cent of our maximum rate. Our maximum rate is 45s., and 25 per cent comes to the odd sum of 11s. and threepence.

This provision was introduced not only into the war pensions legislation but it was introduced into the industrial injuries compensation provisions which have recently been before our House of Commons. If I may illustrate what this was intended to cover by a couple of examples from the industrial field it may make it clear. It is commonly called the engine driver's eye and the compositor's finger clause because in the case of the engine driver who has lost an eye the railways automatically have got to take him off engine driving and they have to relegate him to some inferior sort of job. Present indications are that the provisions in this clause will not apply to a very large number of cases, and I ought to say that although we have only had two or three months' experience in operating the clause we have already come to the conclusion that its operation in practice is going to be a bit difficult. There are a certain number of cases where it is quite obvious that the clause applies. There are equally a number where it is quite obvious that the clause does not apply. You then get a collection in the middle, and that is where the difficulty arises. That is about the best description that I can give of an attempt to discover what is fair in the circumstances of an actual case.

*By Mr. Wright:*

Q. In a case where a man has had severe muscle wounds and you have given him a pension, we will say, of 10 or 15 per cent, it is possible that maybe two, three or four years later rheumatism will develop in the muscles. He becomes a 100 per cent disability. Just how would you deal with that case?—

A. That is a little on the medical side, but I seem to remember there are a certain number of cases which my doctors call sequelae, and where that criterion is satisfied we should accept the consequences. If we were satisfied that the subsequent rheumatism was really related to the initial gunshot wound then we should have to accept the responsibility, and the man is entitled to be pensioned for the disability from which he is actually suffering as a result of that wound. On the other hand, if he was wounded in his right shoulder and then developed rheumatism in his left I think we should probably feel bound to take a rather different view.

*By Mr. Mutch:*

Q. In practice, referring to that case, is it within the limits of probability that a man could establish that subsequent rheumatism was due to a muscle wound?—A. I am sorry, that is a medical question.



Q. Would cases like that develop successfully?—A. It is really a medical question, and I just do not know the answer, but what would happen would be that if my doctors advised me that the subsequent medical condition was linked up with the original trauma then we would accept it, but whether or not it should be linked up is a medical question on which I should have to rely for the advice given me by my doctors. I cannot say whether if you have had a bad smashup in your arm there is any subsequent likelihood of developing rheumatism. I just do not know.

*By Mr. Fulton:*

Q. Is that the sort of question which is regarded as a question of law and on which an appeal would be allowed to the high court, or would your ruling be that was a question of fact and the decision of your tribunal would be final?—A. That would be a question of fact to be determined by the tribunals. The only grounds upon which there might possibly be an appeal to the high court would be on the grounds that in arriving at a decision on a question of fact the tribunal had either ignored or refused to receive evidence or, in fact, had arrived at a decision on fact for which they had no evidence at all.

*By Mr. Moore:*

Q. I should like to ask Mr. Parker a question. Is the British War Pensions Act that is in effect now substantially the same as the one that was in effect after the last war?—A. No. The Royal Warrant which has been in operation since 1943 in the matter of entitlement and things of that kind is more favourable than the Royal Warrant which operated after the last war, and which operated during this war up until 1943.

*By Mr. Quelch:*

Q. Is it less favourable in any regard at all?—A. In the matter of entitlement, no. There are certain features which obtained after the last war that we have not repeated on this occasion. For example, there was after the last war a system of alternative pensions. We have not incorporated that into the provisions for this war. After the last war there were flat rate pensions for parents. There were also pensions for parents related to pre-service dependence. Those we have not incorporated this time. In the case of parents there is in all cases a test of need, so that there are features like that in regard to which the Royal Warrant of this war is criticized by reference to the Royal Warrant of the 1914-1918 war. So far as entitlement is concerned the position is that the present entitlement is more in the interests of the man than was the 1914-1918 entitlement.

*By Mr. Emmerson:*

Q. May I ask another question? Are the adjudications of pensions automatic, or must the service men apply?—A. That varies according to the nature of the termination of the man's service. If a man is invalided from the forces it is the duty of the service departments to forward his papers to the Ministry of Pensions, and it is the duty of the Ministry of Pensions to determine that case and notify its decision to the man without any action on his part. It is moreover, not a duty on us but we regard it as an obligation to get that notification to the man within about seven or eight weeks of his discharge from the forces, the reason for that period being that on discharge a man gets as a minimum his 56 days discharge leave. Therefore, if we can get our decision through within about eight weeks we can avoid any break as between payment of service pay and allowances and payment of pension. We do not succeed in 100 per cent of the cases. We probably succeed at present in something like 85 per cent, or thereabouts.

Then there is the other type of case. That is the man who at the present moment is being released, as we call it. I do not know whether you use that



term, or whether you term it demobilized. At any rate, it is the man who is being released from the forces. That man in his release book is given as the last document in that book a form on which if he wishes to claim pension he may do so. In regard to ordinary releases the initiative rests with the man. Where he is invalided from the forces the initiative rests with us. Having regard to the numbers involved it would have been impossible for us to have looked through all the release cases. Our experience is that on the whole the men who are being released from the forces are coming out of the forces very fit, and we are getting a very much smaller percentage of claims after this war than we did after the 1914-1918 war.

*By Mr. Winters:*

Q. May I ask if this Royal Warrant applies to all auxiliary personnel as well as service personnel?—A. By auxiliary personnel do you mean women?

Q. Everybody that was not actually in the service, who contributed to the war.—A. We have a series of instruments. The Royal Warrant applies only to the army, but included in the army are the A.T.S. For the navy there is an order in council which is exactly the same thing except that it talks about able seamen rather than corporals and the like. The only reason for the difference is that it is one of those historical curiosities of ours that the pay of the army has always been regulated by Royal Warrant and the pay of the navy has always been regulated by an order in council. They have only slight differences in them. Whilst the A.T.S. were a part of the army the Wrens were not a part of the navy. Therefore there has to be some special definition clause to bring the Wrens in.

*By Mr. Brooks:*

Q. Where do you place the merchant marine?—A. Could I come to that? Then we have a similar thing for the air force. Then when we come on the other side we are not proceeding under the prerogative. We are proceeding under certain definite Acts of parliament which were passed originally at the outset of the war and have been subsequently amended, which empowered us to make schemes for first the merchant navy, second civil defence personnel and civilian personnel, and thirdly for considerable miscellaneous people. For example, we have a scheme for Chinese seamen who were a part of the merchant navy for whom the normal merchant navy scheme was unsuitable. These schemes are made under special Acts which were introduced at the outbreak of the war and empowered us to give compensation to these classes of people. Broadly speaking you may say that so far as civilians and the civil defence personnel are concerned their compensation is on a flat rate basis related to the private soldier. In other words, if the managing director of a munitions factory lost his arm through a bomb he would be entitled to compensation from us under our civilian scheme, but it would make no difference from the point of view of benefits which he had got whether he had been the managing director or the humblest labourer in the factory. In the case of the merchant navy there is a measure of rank element that more or less equates merchant navy ranks to navy ranks. So far as the merchant navy is concerned, the scheme is a rather complicated one, because we accept liability for what we might call war injuries; we do not accept liability for anything which happens to a seaman in the ordinary course of his profession. Shall we say, that he just falls down the hatchway while his ship is in port. That is a matter for workmen's compensation and not war compensation from the Ministry of Pensions. It has not worked out too badly. There has been a reasonable amount of give and take all around and common sense; but you will appreciate that exactly where you draw the line in some cases between whether it was a normal injury in the man's service or something which was related to war conditions is at times a little difficult, but we haven't had too much difficulty.

Mr. BROOKS: Is there a difference between the workmen's compensation pay and what a man would receive otherwise?

The WITNESS: Yes, our workmen's compensation scheme has been entirely amended in the last few months. The new one has not come into operation yet. But our scheme was more favourable than the old workmen's compensation scheme. In fact the new workmen's compensation scheme is modelled very much on the scheme which we have applied during the war to civilian injuries.

Mr. WRIGHT: Could I ask what is the position of British nationals in other allied forces where the pension provision is not as favourable? Do you make up the difference between the pension they would receive from that force and under your scheme? How do you deal with those cases?

The WITNESS: We certainly do not do anything for members of the armed forces. I do not believe that there have in fact been many, if any, of them.

The CHAIRMAN: I wish to ask you two or three questions if no other member of the committee wishes to ask any questions. I do not wish to incur the displeasure of any member of the committee, but I am interested just as any other member of the committee is.

Mr. BROOKS: This modesty on the part of the chairman should be rewarded.

*By the Chairman:*

Q. I will ask about three questions. You do not need to answer them unless you care to. We have figures that show the number who served, the number of pension cases dealt with, and the number of awards of pensions; do you care, or can you give comparative figures for the United Kingdom?—A. We have so far, in regard to disablement, made—this is the figure up to the end of March last—we have made just over 340,000 first awards of pension. Some of them, of course, would be small awards—50 pounds for the loss of a finger or something like that.

Q. How many cases have you dealt with during that time? Have you got those figures?—A. I am afraid I have not.

Q. Now, then, there seems to be so much turning on whether you find that a disease or disability was due to aggravation or attributable to war services—that is, whether it was aggravated or attributable to war services—that I would think your medical boards would have worked out certain definite decisions that certain diseases should be regarded as not attributable but rather aggravated and vice versa. Have you worked out certain definite ideas on that?—A. There is nothing laid down in precise terms. It is no doubt the case that my medical staff have from time to time issued to the other members of their staff guidance on matters of this kind as to certain broad considerations which they should bear in mind; but the final determination of the question is a matter for the board. In by far the greater proportion of awards which we make the award is on the basis of aggravation and not on the basis of attributability.

Mr. BROOKS: Each individual case is dealt with on its own merits?

The WITNESS: Yes, subject to this that in any organization with people scattered all over the place it is necessary that those at the top must give general guidance to their outlying staffs as to their approach to this or that question.

*By the Chairman:*

Q. I have one last question to ask. In view of the High Court decision that these cases must be decided on the basis of preponderance of probability, has subsection 3 that you refer to had much actual effect on the rulings being made?—A. Subsection 3 of the Royal Warrant was a very valuable provision from the point of view of the ex-service man. It has been of considerable

advantage to him; it has been of advantage to us; it has enabled us to make awards in cases where under the previous warrant we should have been compelled to reject because the necessary positive evidence was not forthcoming or available.

Q. In other words, prior to this section, if there was no evidence either way, then the man did not get the award; whereas now if there is no evidence either way and he is suffering from a condition that he did not have when he went into the service, he gets the award?—A. I might sum it up by saying that before the 1943 warrant, to enable a pension to be awarded, the doctors had to give a certificate of causal connection, now if a pension is to be refused they have to certify that in their view the disability is not caused by service.

Q. It puts the shoe on the other foot?—A. Yes.

The CHAIRMAN: I would like on behalf of the committee to express our thanks to you, Mr. Parker, for appearing before us today. This has been an entirely voluntary appearance on Mr. Parker's part because he knew we were very interested in how they were dealing with their problems, and he was in Ottawa partly in view of the fact that we had said we would like to hear him and partly on government business. His appearing before us today is a kindly act on his part, a very generous act on his part as representing his ministry in the British government. I should like to assure him of our attitude in regard to dealing with those who served in the Royal Air Force or in regard to those Britishers who have served in our forces; and relationships between our Pension Commission and their representative, Mr. Bowler, have been most happy, and today we are glad to have this little bit of further evidence of co-operation.

The WITNESS: Mr. Chairman and gentlemen, thank you very much indeed. I hope I have not been too long-winded but I would like to say that we do appreciate very much all that you have done for those who are, shall I say, joint responsibilities.

The Committee adjourned to meet on Friday, May 10, 1946, at 11 o'clock a.m.





W. Doc  
Can  
Com  
✓

LA1  
KC2  
45071

Canada Veterans Affairs  
in April 1946

SESSION 1946  
(HOUSE OF COMMONS)

(SPECIAL COMMITTEE)

(ON)

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15

FRIDAY, MAY 10, 1946

WITNESSES:

Mr. J. L. Melville, Chairman, Canadian Pension Commission;  
Dr. H. H. Eyres, Chief, Neuro-Psychiatric Division, Canadian Pension  
Commission.



OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1948





## MINUTES OF PROCEEDINGS

FRIDAY, May 10, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Benidickson, Bentley, Brooks, Cockeram, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Gillis, Green, Harkness, Herridge, Jutras, Kidd, Lennard, Marshall, MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver N.*), Skey, Tremblay, Tucker, Viau, Winkler, Winters, Wright.

*In attendance:* Mr. J. L. Melville, Chairman, Mr. H. A. L. Conn, Assistant to the Chairman, and Dr. H. H. Eyres, Chief of the Neuro-Psychiatric Division, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, Veterans Affairs; Colonel A. L. Tosland.

Mr. Melville was called, heard and questioned.

Dr. Eyres was called, heard, questioned, and retired.

It was agreed that Mr. Conn and Colonel Tosland be called at the next meeting.

At 1.05 o'clock p.m., the Committee adjourned until Tuesday, May 14, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS, May 10, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, this morning we will continue with the Pension Act. Brigadier Melville has a statement ready for the committee on some of the points he has been asked about. Then the question was raised of having a psychiatrist in the department give some evidence before the committee. It was suggested by Brigadier Melville that Dr. H. H. Eyres would be very helpful to the committee. He is here this morning. Then on the question of wilful concealment I understand that Mr. Conn, who has been acting as vice-chairman of the Commission, will be here to answer questions and deal with that aspect of the Pension Act. I will call first on Brigadier Melville to make the statement that he has prepared in regard largely to questions of procedure under our Pension Act.

Mr. BENTLEY: I wonder if Brigadier Melville would pardon me for a moment. There is a matter on which I should like to have some information. Last year before our sessions ended I believe that the chairman announced that we would have an opportunity to discuss the matter of amendments to the V.L.A. to permit cooperatives to come under that Act. You remember we had a sub-committee, and we asked that this be taken up at a later meeting.

The CHAIRMAN: I had been thinking about that. I had in mind bringing that before the steering committee. There is that question, and then there is the embodying legislation for the orders in council that were passed pursuant to the recommendations of this committee. There are those two problems under the V.L.A. which we have to take up. The question is at what stage shall we take them up. Of course, Mr. Wright is your representative on the steering committee. We try to hold meetings very frequently, as a matter of fact, so that I hope he will feel free to bring it up and we will try to decide on a proper time.

Mr. WRIGHT: With respect to that matter of being a member of the steering committee I was away a little longer during the Easter recess than the actual recess. The committee was notified that Mr. Bentley was acting on the steering committee in my place. Nevertheless he did not receive notices of the meetings of the steering committee, so that I have not attended a meeting of the steering committee for almost a month. I believe that a meeting should be held so that we will know just exactly what our procedure is going to be from here on.

The CHAIRMAN: We will hold a meeting of the steering committee. Would it be satisfactory to hold it at 10.30 on Tuesday next? In regard to what you say about Mr. Bentley I tried to get in touch with him before each meeting. What I should have done was to notify the clerk, and I think I overlooked doing that. I left it to myself, and one occasion I forgot to tell him about it.

Mr. BENTLEY: We will not quarrel about that now.

The CHAIRMAN: I am sorry about that, but on other occasions I did try to get in touch with him, and I think you attended one meeting.

Mr. BENTLEY: No, I did not attend any.

The CHAIRMAN: I thought you had. We will hold a meeting of the steering committee on Tuesday next.



Mr. BENIDICKSON: Mr. Bentley has raised a question of having an opportunity to consider some changes in the V.L.A. You did not make reference to the matter that I raised when we were discussing the Veterans Land Act with respect to some concession to farmers on the purchase of implements. At that time you will remember there was a considerable amount of discussion among members who have representatives of the fishing industry in their constituencies. At that time I raised the question of having a further opportunity to extend the terms of the Veterans Land Act for land settlement for tourist purposes which at the present time is being denied. I think we were assured that there would be a chance of further discussion at this session. I hope that the steering committee has kept that in mind.

The CHAIRMAN: We will bear that in mind. Before Brigadier Melville commences is there anything else that any member of the committee wishes to bring up?

### Brigadier J. L. Melville, recalled.

The WITNESS: Mr. Chairman and gentlemen: During the very illuminating discussion which took place yesterday regarding the main principles underlying the British system in the adjudication and award of pensions mention was made of certain features regarding which the committee might be interested to have information relating to the Canadian practice.

As to appeal boards on entitlement I might say that today an appeal board of the Commission is sitting in Saint John, N.B., and another one in London, Ont.

An appeal board of the Commission consists of three members one of whom is usually a doctor.

These boards hold public hearings in accordance with the rules of procedure made under the Pension Act.

No member of the board has previously adjudicated upon the claim, should he have done so the consent of the applicant must be obtained in advance.

As far as the three members are concerned it is a case de novo.

The applicant and his witnesses may be paid the cost of transportation and fees and allowances when in attendance. The decision of an appeal board is final. That is laid down in section 57 (3) of the Pension Act.

The only exception is that provided in section 57 (4). The Commission may entertain an application for leave to re-open based upon an error in the decision by reason of evidence not having been presented or otherwise.

Number of Appeal Board decisions—World War II.

Service wholly rendered in Canada:—

Total decisions disability and death .....	2,827
Granted entitlement .....	577
Percentage favourable .....	20.4

These figures, gentlemen, are at the 31st of December, 1945.

Service outside Canada:—

Total decisions disability and death .....	943
Granted entitlement .....	372
Percentage favourable .....	39.4

By Mr. Green:

Q. These are appeal board decisions?—A. These are decisions of appeal boards of the Commission.

One further point discussed was with regard to an appeal from the assessment of the degree of disability.

Provision in that regard will be found in section 7 (3) of the Pension Act. The few complaints received may originate locally, that is, through the pension medical examiner, sometimes through the district pensions advocate, sometimes the local member. The Commission usually arranges:—

- (a) For re-examination by one or more different pension medical examiners.
- (b) For a review of the assessment by the medical advisory staff.
- (c) For review by the Commission and adjustment of the award when indicated.
- (d) In accordance with the provisions of the subsection already mentioned the Chairman names one or more members to represent the Commission and they hold a local sitting for the purpose of hearing the complaint on any question of assessment. Usually the members of the Appeal Board are designated for this purpose as they form a very representative body of the Commission.

Mr. Chairman, I thought you would like to have that information regarding appeals and assessments following upon the information given yesterday by Mr. Parker, the permanent secretary of the British Ministry.

*By Mr. Brooks:*

Q. May I ask one question there? Brigadier Melville said that the case was before the appeal board de novo. Does that mean that the evidence and findings of the previous board are not before the new board?—A. The Commissioners who constitute the appeal board have never studied, adjudicated or seen that case before they come to the appeal board hearing, but in the docket which is prepared for the members of the appeal board there is the initial decision and the renewal decision of the Commission. In addition there is a very complete summary of evidence which has been prepared by the district pensions advocate or by whichever advocate the applicant may select for that purpose. The commissioners themselves, the members of the board, have never dealt with the case before, and they call upon the man or his advocate to present the claim. It is entirely new.

*By Mr. Quelch:*

Q. I think you stated that the decision of the appeal board was final except in a case where a mistake had been made and then the case could be reopened. Is it not a fact that if new evidence can be produced the appeal board will then reopen the case?—A. It has to be considered as laid down in that section of the Act which is very definite, section 57 (4). One cannot just go and bring up new evidence after the decision has been rendered. I will read the section.

An application based upon any error in such decision or in any decision of the Court, by reason of evidence not having been presented or otherwise, may be entertained by the Commission with the leave of an Appeal Board of the Commission, such Appeal Board to be designated by the Chairman of the Commission from time to time for this purpose, and such Appeal Board shall have jurisdiction to grant leave in any case in which it appears proper to grant it.

*By the Chairman:*

Q. That was what section?—A. Section 57 (4).

The CHAIRMAN: Are there any other questions?

*By Mr. Green:*

Q. Brigadier Melville, will you explain in a little more detail about appeals from assessment? I mean as distinct from entitlement appeals. I should like to know in approximately how many cases there have been such appeals?—

A. I would be very glad to do that. Actually there have been very few complaints regarding assessment, and the endeavour of the Commission is to have the man report to the local pension medical examiner. I think there is a very good reason for that because he is the examiner who will deal with the case in the future. If the man is not satisfied and says, "I am getting a 15 per cent pension and I consider that I am much more greatly disabled", the complaint comes to headquarters in Ottawa. It will be referred to the chief medical adviser and he will review. It then goes before the Commissioners. If the chief medical adviser considers that the assessment award was inadequate, and the Commissioners confirm, we immediately rectify. If we consider that the award is in accordance with the general practice of the Commission and commensurate for the degree of disability we may arrange for one of these local hearings, and we do not limit it to a hearing before one member or a doctor. That is why in designating the member or members of the Commission I usually designate the three members of the appeal board because they form a very representative group.

Q. How many appeals from assessment have been heard in that way in the last year?—A. I have no record at the moment. There have not been very many.

Q. Would it be 100?—A. I would not say in excess of that.

*By the Chairman:*

Q. You could get the actual figures on that quite easily?—A. We might. I would be glad to.

*By Mr. Green:*

Q. Is not the situation this, that it is generally understood that while there is an appeal on questions of entitlement there is no appeal on assessment? Is that not the general understanding across Canada that there is no appeal from an assessment of the disability?—A. No, I cannot accept that, Mr. Green, because the man has the advice of the district pension advocate. There is the veteran's bureau, headed by the chief pension advocate. There are district pension advocates throughout Canada, and every one of those advocates is very fully instructed and informed regarding the provisions of the Pension Act, and he does not hesitate to take advantage of it. Therefore the man will seek the advice of the advocate and will go ahead from that source.

Q. As I understood Mr. Parker yesterday, in Great Britain they have a provision for setting up assessment tribunals, the membership of which would consist of at least two doctors—

Mr. MUTCH: Two lawyers, one doctor.

Mr. GREEN: No, two doctors on the assessment tribunal.

Mr. MUTCH: I beg your pardon.

Mr. GREEN: Two doctors, and one person from the type of service in which the man served. I understood that was the situation there.

Mr. BROOKS: A lawyer, a doctor and one—

Mr. GREEN: No, that was on the appeal as to entitlement. I am speaking of an appeal from assessment.

*By Mr. Green:*

Q. Would there be any objection to having an assessment tribunal of that type in Canada; more particularly to have a tribunal on which doctors would be in the majority, and not necessarily doctors who happened to be members of the commission. What I have in mind is an appeal in which an outside doctor could be brought in. I know many cases where the men now feel that they have not had a fair deal from the commission doctors.



Mr. MUTCH: You are thinking of the veterans of the first war?

Mr. GREEN: Yes, where they think they have not had a fair deal from the commission doctors. There is some advantage in having a board of appeal which would not be composed of doctors or ordinary lay members from the commission itself.

Mr. MUTCH: You are suggesting in that merely an outside reference as to assessment. You are not approaching the principle of entitlement on that basis?

Mr. GREEN: Oh, no.

The CHAIRMAN: Is not that a sort of reversion to the system that was found unsatisfactory, where you had some portion of the appeal tribunal separate from the commission itself? That was tried and apparently found very unsatisfactory. You remember the time when you had the commission and then the Pension Appeal Board, and it was found unsatisfactory, so they were amalgamated together again and the appeal board was made part of the commission. It was picked from them. Is what you are suggesting not a tendency to revert to that system where the people who sat in appeal in regard to an assessment at least would not be part of the commission?

Mr. MUTCH: That is not quite parallel, Mr. Chairman, because if I understand Mr. Green's suggestion—I had not thought of it before—it is rather to have outside, what we might call professional opinion, or extraneous opinion; a board consisting, for instance, of two doctors who would understand the medical side of it and then someone who had an intimate knowledge of the conditions under which the pensioner served. I can well understand that it might have real value perhaps in dealing with the veterans of this war, but I think after the lapse of 27 or 28 years it might be difficult to make it effective with regard to those borderline problem cases which still exist from the last war. But as to the question of seeking expert opinion, which the old board of appeal certainly was not doing, all of us had experience enough with that tribunal not to want to see that repeated.

Mr. GREEN: There is provision here in section 7, subsection (3) as follows:—

(3) The commission, represented by one or more commissioners designated by the chairman, may in its discretion hold sittings in any part of Canada, or elsewhere than in Canada, for the purpose of hearing evidence or complaints in respect of pensions or any question of assessment, and if directed by the chairman, different sittings of the commission may be held at the same time.

There might be some advantage in making it possible to appoint an outside doctor as a member of that board.

Mr. MUTCH: As an ad hoc member.

Mr. GREEN: As a member of that board for the particular time.

Mr. MUTCH: Just ad hoc.

Mr. GREEN: There might be some advantage in something of that kind.

The CHAIRMAN: Oh, I understand. I thought you were suggesting that we set up some sort of board that would sit in appeal on the work done by the commission. But what you are suggesting is that the chairman have the right to designate some outside specialist to sit in on special cases.

Mr. GREEN: I think that the applicant would feel that he is getting a far fairer hearing if there was an outside doctor on that appeal.

Mr. MUTCH: It is not true that the worse a man's case is, the more he is inclined to feel that the departmental doctor, if I may use that expression, or the commission doctor, is retained for the express purpose more or less of keeping him out?

Mr. GREEN: That is right.

Mr. Mutch: I do not think there is any justification for that feeling, but a man who loses has a tendency to feel that way.

Mr. WINKLER: Could Mr. Green's suggestion not be broadened by allowing a man to bring in a doctor of his own choice to confer or even act in conjunction with the others?

The CHAIRMAN: Brigadier Melville, you hear the suggestion that is being made, that in a case like this you could designate a man to sit, if need be a commissioner ad hoc, who was not a member of the commission at all, to clear up some very difficult case. That is the suggestion, as I understand it.

Mr. GREEN: That is what I had in mind

The WITNESS: Mr. Chairman, I was going to suggest to the committee that it would be advisable to have the opinion of the chief pensions advocate of the Veterans' Bureau. The bureau serves the veteran, and deals with and helps him in the presentation and prosecution of his claim for pension. When he is before you, as I presume he will be, you might see what he thinks regarding this question of appeals or assessment, because he deals such claims.

With regard to the remark passed as to what was said yesterday, there are no appeal boards on assessment. Mr. Parker was very definite in that regard. He says:—

There is provision in the Pension Appeal Tribunal Act for the setting up of assessment tribunals. Up to the present if a man has appealed against his assessment his case has been reviewed and reconsidered by the ministry.

Then, in answer to this question, Is it the idea that assessment tribunals should be composed of medical men, he goes on to say:—

Perhaps I might explain, sir, that the entitlement tribunals comprise three members: the chairman is a lawyer, one member is a medical man, and the third member is a lay member drawn from the same source . . .

Then he went on to describe them.

Mr. GREEN: Oh, but he went on to say how those assessment tribunals were to be made up. He said there were two doctors and one layman. You will find that later on in his evidence.

The WITNESS: He said:—

When the assessment tribunals are set up their membership is laid down by the Act as comprising two medical officers, one of whom is the chairman, and a third lay member selected on the same basis as the lay member in the entitlement cases.

That is right.

The CHAIRMAN: He says they have not been set up yet, but there is provision for them.

The WITNESS: Yes.

Mr. GILLIS: Were you yourself going to talk, Mr. Chairman?

The CHAIRMAN: No. I was going to say if there were no more questions we would call on Dr. Eyres.

Mr. GILLIS: I just want to say a few words about Mr. Green's proposition. Personally, I am rather reluctant to set up any more boards. I think we are pretty well boarded in now.

Mr. GREEN: It is not a question of setting up a new board. It is to enable the appointment of an outside doctor as a member.

Mr. GILLIS: I thought you suggested you might set up an independent board of doctors to determine the question of assessment.

Mr. GREEN: No.



Mr. GILLIS: Well, I think you are wasting your time in suggesting that you might select an independent doctor to change anything that has already been done by the medical profession. The medical profession across this country is pretty well a closed corporation. I have had considerable to do with the old pension tribunal where we asked in independent doctors to offset some of the evidence of the commission, and I have yet to find one doctor who disagreed with another in making any statement on behalf of the applicant that was at variance with a decision already rendered by some medical expert of the commission. You will find that if you have anything to do with compensation boards, but I am referring now particularly to the old pension tribunals. I agree with Mr. Green on this point, that there is no appeal provided for by the present machinery, on the question of assessment. The only redress the applicant has to-day, if he is not satisfied with the assessment that he received from the commission, is to ask for a re-board; get back into hospital, be examined and re-boarded. I think he is out of luck with that machinery, because he is going back to the very people who have already fixed his assessment; and it is not reasonable to believe that they will make one decision this month and change it next month.

The Veterans' Bureau is functioning all right in the function that it has within the commission on the question of entitlement. They work well there, and they can ask for second hearings, appeals, and all that kind of thing. The pensions advocate is doing a fairly good job. But on this question of assessment, I think that some mechanics have to be developed whereby there could be a review of that; and I do not think the proper machinery is to ask for the appointment of an independent doctor outside the commission medical experts and expect him to make a decision against them. My experience has been that it will not work. It is just another expense that is not going to mean very much.

What I should like to see done is this. If there should be an appeal, I believe that matter should rest with the minister. If a soldier is examined in a departmental hospital and he is not satisfied with the treatment or the assessment for a certain disability, I think then the man who presides over the whole department is the man who should sit in, review the case himself with advice from the departmental officials and make some decision as to whether or not the assessment was fair and reasonable or otherwise. I think, myself, that it is his responsibility. To set up any more machinery is just going to make it cumbersome, involve more red tape, make it hard to get at and there will be very little redress when you do get there. If you are expecting one medical man to change the decision of another, based on medical evidence—well, they do not do it. My suggestion would be that something should be written into the Act to the effect that if the soldier was not satisfied with what he did receive from the departmental officials by way of assessment, he would have a direct appeal to the minister; and the minister then should be obliged to make some decision as to whether the Act was fully implemented, whether the assessment was fair and reasonable, taking into consideration the man's occupation, the way he has to earn his living and so forth. I think every case has an individual aspect that has to be considered and it is not all medical evidence. There are the employment possibilities of a man, the area he is living in and all that kind of thing which have to be taken into consideration in fixing the assessment. I should like to see it go back to the minister who presides over the department. He is responsible to parliament. He can be questioned. I think that is the place an appeal should go on the matter of assessment.

Mr. BROOKS: Mr. Gillis, would not a man making his appeal say that his disability is more than it has been granted to be and base his appeal for higher assessment on that? In that case would he not have to go back to the doctors again to see what the disability was? How could the minister decide upon that?



Mr. GILLIS: No. I think determining the disability straight from the standpoint of medical evidence is wrong. A man may be living in Toronto, have a 10 per cent disability and be able to earn his living 100 per cent as if he had no disability. But on the other hand a man may be living in another section of the country where there is not anything but heavy industry. He may have a 10 per cent disability from the medical standpoint but a 100 per cent disability from the standpoint of earning a living. Those are factors that are not medical. The minister has, I think, medical experts within his department. He has people whom he can call to examine the man's status related to his employment possibilities, as I said a moment ago, the section of the country he is living in and so forth. I say that, in the assessment for pension, the medical end of the thing is only about 10 per cent; 90 per cent is the status of the man's capabilities, possibilities of employment and that kind of thing. I think it is time that we got around to making our assessments on that basis. If there is a medical question involved, the minister has medical experts that he can call, and he can examine the man's status as related to his possibilities of earning a living. I think we have to get away from this business of assessing a soldier from this war in the same way as we did the soldier from the last war. We have to get around to assessing him from the standpoint of earning his living; and I think the place to go with that is to the minister.

Mr. HERRIDGE: Mr. Chairman, I want to say that I think Mr. Gillis is most unsound in his proposal. His proposal would break down the whole principle of the Pension Act. If we had the minister deciding assessments, it would not be very long before we should be asking the minister to say who should get a job and who should not. I think that is the wrong way of approaching the situation.

The CHAIRMAN: I noticed from the evidence yesterday, when it was given, that these assessment tribunals had two doctors out of three on them; and I was very much surprised, for the very reason mentioned by Mr. Gillis. There has been a tendency in this country to say that the doctors should give evidence and ordinary people with the ordinary viewpoint should give decisions based on that evidence, and to get away from the doctors dictating the actual amount of pension and so on. That I think has been the tendency in this country. But apparently in Great Britain they are going the other way, and putting more power into the hands of the medical profession; because the assessment appeal tribunals, as I understood the evidence yesterday, were made up of two doctors. In other words, you have turned over the entire control of assessment right into the hands of your doctors who are members of the pension department. I was really surprised at that myself, because that seems to run counter to what we have tried to establish in this country.

Mr. MUTCH: Did I understand Mr. Parker yesterday to say that in the case of appeals to the minister the usual practice was for the minister to convene a new medical board?

The CHAIRMAN: I don't remember that, but he spoke about these assessments of appeal tribunals, and they have two doctors on them out of three. I was really surprised to hear that, because there have been complaints in this country about assessment doctors having too much to say in regard to the amount of the assessment, and there was a feeling that doctors should give evidence and that the commissioners should decide on the evidence. My own view is that that course is more sound.

Mr. GREEN: What is the practice in Canada now? Is it not, in effect, that the pension doctors are the ones who set the assessment, not the other assessment commissioners at all?

The CHAIRMAN: Would you care to deal with that Brigadier Melville?

**THE WITNESS:** The practice is this. There is a table of disabilities. That table of disabilities is a guide. It was prepared many, many years ago, about 1919, after consultation with the best authorities in the country who were familiar with compensation and compensation laws and so on. It was very necessary in dealing with an application for a pension—the instructions in that regard are very clear—that the pension medical examiner would describe in full detail the individual as he sees him and his disability; if necessary, he will obtain a specialist's report and opinion with regard to the disability. When that information is received it is forwarded for consideration to the commission in Ottawa. It is reviewed; yes, by the medical advisers; we have to have the benefit of the opinion and advice of our medical advisers; but it then comes before the commission on the question of assessment in exactly the same way as on the question of entitlement; it is entirely one for the decision of the commission.

**MR. GREEN:** Yes, but in fact the commission accepts their own doctors' recommendation as to what percentage of disability it is, do they not?

**THE WITNESS:** I disagree with that, gentlemen, because only this morning I had a case on my desk where there was a question of assessment. The local P.M.E. assessed a disability at fifty per cent. The medical adviser thought the maximum should be forty. It came before the commissioners—is before the commissioners now—and the decision rendered was that we agreed with the opinion of the local medical officer. The examiner properly described his disability, and we consider the assessment he has recommended is in accord with the degree of disability that existed at the time of examination. The commission may then call for a re-examination of that man in six months, or in a year, or at some stated interval; and if his disability is found to have increased he is entitled to receive an increase in the amount of his pension.

**MR. BROOKS:** In any event the doctor sets the degree of disability. In the case you have just cited, which you say is before your commission for consideration this morning, you said that you took the advice of the P.M.E.

**THE CHAIRMAN:** Only to the extent, Mr. Brooks, that a judge will listen to a doctor giving evidence, and he will finally probably accept the advice of one particular man whom he feels gave the best evidence. But as I understand it, the situation created by previous committees is unchanged; that is to say, you create a situation where the commission would listen to the medical evidence but not be bound by it.

**THE WITNESS:** The point here is, gentlemen, that we are dealing with disability resulting from injury or disease; surely then we are going to have the benefit of advice and consensus of medical opinion of those who are best qualified and who have made a special study of matters of that kind. We then apply our own powers and knowledge based on years of experience in our further deliberation of the case.

**THE CHAIRMAN:** Just on that point, following up Mr. Green's observation, if a pension advocate who was on the ground felt that a certain specialist could give satisfactory evidence in regard to a particular case in having this matter reconsidered, you would be prepared to have him examined by that man, would you not?

**THE WITNESS:** There are any number of cases wherein the commission has been only too pleased in contentious claims to refer the case for the consideration of outside specialists, specialists who are not necessarily picked by the commission at all, who may be named by the advocate. There is one other point which arises in the discussion in regard to a man being hospitalized and then being discharged and nothing happening to his pension. That is incorrect. The proceedings of the medical board on discharge of every member of the forces who was under treatment for a pensionable condition are examined



by the Canadian Pension Commission. These proceedings cover the reports for the entire period of hospitalization and they are referred to the pension medical examiners before treatment is completed. The instruction to the pensions medical examiners is that if you consider it advisable, and if these reports are not complete for your purpose, have the man before you and examine him. If any additional information is indicated we cover same in his report. These reports come in and describe the condition of the pensioner at the time of his discharge from hospital. His pension is assessed in accordance with the degree of disability at that time. With particular regard to this board of assessment, the Act provides that one commissioner may be named by the chairman to deal with these complaints. I thought I had made it clear that as a matter of general practice three commissioners were detailed, one of whom is usually a doctor, and we consider that very advisable and very definitely in the best interests of the applicant.

Mr. GREEN: What objection would you have to putting a local man on such appeal boards, sitting on assessment as distinguished from the question of entitlement? I am quite sure that in my part of the country the feeling is that once an assessment has been made it is practically impossible to get any change. If it is too low, it is just too bad and there is no way of remedying the situation; you can't get it changed.

The WITNESS: I cannot accept that last remark, that there is no way of getting it changed. There is one way, the way provided in the Act.

Mr. GREEN: I say, the feeling in my part of the country is there is no possible way of getting relief.

The WITNESS: There is, Mr. Green. It is applied; I would say very definitely it is applied by the commission. With regard to the appointment of an outside doctor, I do not see that is necessary. He would have to be trained, and very fully trained, and very fully informed on the whole of the intricate, involved basis of assessment; and it is a very involved subject. We try to have uniformity of decision, uniformity in our assessments throughout Canada, as nearly as we can.

Mr. QUELCH: When the commission make their assessment do they give any consideration whatsoever to the effect that a man's disability may have on the trade to which he belongs? For instance, if you have a musician who loses several of his fingers that may have a very severe effect on his capacity to earn a living in his trade.

The WITNESS: No, we give no consideration; the Act does not allow us to do so.

Mr. QUELCH: I think that is the point Mr. Gillis was making. I appreciate that you can only go so far on that line, but I think it should be considered.

The WITNESS: Disability is defined in the Act, in section 2 (3),  
disability means the loss or lessening of the powers to will and to do any normal mental or physical act.

The CHAIRMAN: It is very hard to introduce that into the Act. Say a lawyer loses his arm, he would be just as well able to earn his living as before—at least some lawyers would. I think the witness yesterday said they had been working on this thing—there was the case of the engineer's eye and somebody's finger—and I think he said as I remember it that it was proving a very difficult thing to do anything about it. That is my recollection. We will now hear Dr. Eyres?

Mr. SINCLAIR: Before you do that, Mr. Chairman, I have one question to ask. I wonder if Brigadier Melville will summarize for us the British



pension cases here in Canada, which the Canadian government brings up to the Canadian pension rate.

The WITNESS: Yes, the provision in there in section 46A of the Act. Do you refer to World War I or World War II?

Mr. SINCLAIR: To World War I or World War II, it does not matter. I am interested in the case of pensions which are brought up to Canadian rates here in Canada. To whom does that apply?

The WITNESS: Let me explain with regard to all Canadians who were domiciled in Canada and served in the forces of the United Kingdom during World War II. Their pension is supplemented to the Canadian rate on their return to Canada and during the term of their residence therein. It may be of interest for me to add, Mr. Chairman, that in so far as personnel of the R.C.A.F. who served in the R.A.F. are concerned, their cases are dealt with entirely as Canadians by the Canadian Pension Commission. We deal with the documentation from the beginning and the Canadian Pension Commission makes the award. If the disability or death was incurred during service with the R.A.F. we advise the representative of the ministry. It is of further interest to note that up to the present time the Canadian government has received in refund from the British Ministry of Pensions over \$2,000,000 on account of the type cases which I have described.

Mr. SINCLAIR: Now comes my real question. In bringing these pensions up to the Canadian rates do you take the pound sterling at \$4.86 $\frac{2}{3}$  or do you take the pound at the present rate of exchange, \$4.43; because I have a very long resolution here from the Army and Navy Veterans of British Columbia protesting the action of the Canadian government in applying the nominal rate of exchange, \$4.86 $\frac{2}{3}$ , instead of the current or existing rate, which as I say I think is around \$4.43.

The WITNESS: Conversion is done by the chief treasury officer, I assume. The government determines what rate of exchange will be used.

Mr. SINCLAIR: That is my information; it comes to me from the British pensioners in Vancouver who are interested in these payments.

The CHAIRMAN: Do you know what the current rate of exchange is?

The WITNESS: I understand it is either \$4.43 or \$4.45.

The CHAIRMAN: That is under the nominal rate. I wonder why they do that?

Mr. SINCLAIR: It is chiselling.

The WITNESS: The fact remains that the British pensioner—the Canadian who served in the British forces—is treated exactly the same in Canada as though he had served with the Canadian forces. If that is incorrect, I shall certainly obtain a definite statement from the chief treasury officer and bring it back.

Mr. SINCLAIR: Fine.

Mr. WINTERS: In all of these cases do the Canadian pension board accept the British assessment, or do they reassess?

The WITNESS: We accept the award of the United Kingdom government, not necessarily the assessment.

Mr. SKEY: Mr. Chairman, coming back for a moment to this question of medical evidence, I do not want to reopen the question or to repeat all the argument that has already been made, but I am particularly interested in finding out whether a family doctor who has been attending a returned man would be able to express his opinion before the pension board; and particularly in the case of an appeal whether consideration would be given to his opinion before the appeal board?

The WITNESS: In reply, Mr. Chairman, may I say that the applicant who appears before the appeal board is represented by his own advocate, and at that time he may bring forward such witnesses as he desires in support of his case. If the doctor attends he is entitled, as I said before, under the provisions of the Act, to expenses; he is attending as a professional witness and is compensated accordingly.

Mr. SKEY: He merely gives his evidence and cannot be induced to sit on the board as a member nor can any other civilian doctor, such as they do in England where they can bring in a man who served in the same capacity as did the person who is making the appeal. For example, in the case of a firefighter they can bring in one of them to sit on the appeal. Isn't that correct?

The WITNESS: That is correct. The minister made provision whereby we have representatives of the three services, navy, army and air and very fair consideration and representation.

Mr. JUTRAS: Personally, I feel that sometimes the commission places a little too much emphasis or importance on the submission, not exactly evidence, but the opinion of the medical man with regard to the disability. I have a case in mind, for instance, of a man who did say that he had been in a car accident before enlistment. But there was no x-ray produced at the time he enlisted, and later on after he had served, and after he had performed all the duties of a soldier and completed his full training, he got into another car accident and was practically disabled; in any event he was excused from all heavy duties and from all parades during all the time he was in the service. When he was discharged from the service apparently the opinion of the medical man on the question was this: they took an x-ray and claimed that the disability must have been due to the first accident before he enlisted. Then I am given to understand that a civilian doctor claimed that the disability was not due to the first accident; and the next opinion given, as I understand, the opinion that came from the service, was that it was evidently due to pre-enlistment. Now, there is a difference of opinion; so I am just wondering what this man can do at least to discuss that point with the commission?

The WITNESS: The applicant has every right, I may say, and every assistance and consideration will be given him for the advancement of his claim. The initial consideration of the commission is based on the documentary record and the definite policy of the commission is to receive the report of the medical adviser as soon after discharge as possible and, for example, in the case of a gunshot wound of severe disability, to render a decision within thirty days if possible.

Now, in the particular case to which you refer, he may have received the initial decision of the commission, so the best advice for him would be to seek help of the District Pensions Advocate or from the service bureau of one of the organizations such as the Legion, in the further prosecution of his claim to a pension. At that time he could submit his own statement and produce his documentary record which could be supported by the opinion of his own doctor. The commission would then give renewed consideration to his claim and, if his claim were not wholly granted, he has the right to request an appearance before an appeal board of the commission. At that time he can sit down and very informally, before three of the commissioners, state his case and bring out the facts relating to the first accident and the accident in the service. The credibility of the witness alone is a very, very great factor, as is demonstrated by these appeal board hearings.

Mr. SKEY: And he can then produce his own witnesses at the appeal board?

The WITNESS: That is correct.



Mr. KIDD: Arising out of what was said yesterday, is there any finality in the case of a pensioner who is already enjoying a 100 per cent pension for a period of say five or ten years? Does he have to be reboarded each year?

The WITNESS: The Act provides, and the policy of the commission is to make as many pensions permanent as may be possible so as to relieve the mind of the pensioner. Others again are subject to review from time to time.

Mr. KIDD: But is there any finality? Consider the case of a man who enjoys a 100 per cent pension for ten years. Can the board just step in and say: we will review your case. Is there any clause in the Pension Act whereby a case is final?

The WITNESS: No. A man might enjoy a pension of 100 per cent for a few years and then his disability might very definitely decrease. His pension would be reduced accordingly. For example, the pensioner for tuberculosis will receive an award of 100 per cent. That remains in effect for two years. But, if the condition improves, and subject to certain conditions, the pension will be reduced to not less than 80 per cent. He is after a term re-examined; but in his case he never gets less than 50 per cent.

Mr. KIDD: There is one point I would like to bring before the committee and it is something that I hope will never recur. I wish to make no reflection on the board, but ten or fifteen years after the last war the Pension Board said: we have too many men enjoying 100 per cent pensions; so they put on a staff of clerical and medical men to go after the cases. I know of a man in the Christie Street hospital who came from Kingston and who enjoyed a pension for fourteen years of 100 per cent. The Pension Board stepped in and said: we have now re-examined your case and we feel your 100 per cent disability is not entirely due to service and it is reduced to 20 per cent.

Within a few months or within a year that man died and his widow suffers great hardship. He should have had 55 per cent but for some reason or other they cut him below 55 per cent, and that widow, nearly 60 years of age, is left out and she cannot get an Old Age Pension at all. It was a terrible case and it should not have happened. Consider the fact that that man was in Christie Street hospital and, as he said, he was not able to look after his wife. And then his widow was left on the street. I think, on behalf of the soldiers themselves, that his Pension Board should have some machinery at hand and there should be some finality arising to protect the man in such cases.

I know of another man, in whose case they looked through his file and said: we discover that your disability is due to some ankle condition. This man worked in a field ambulance in France. It was up to him to produce the evidence and what happened? One medical officer happened to be Lieutenant-Governor of Saskatchewan and was in Regina. That man had no means of contacting him. The other medical officer was on the staff of McGill University. That man says that after ten or fifteen years a man cannot produce the evidence. So I suggest, in a kindly way, that that sort of thing should never occur again. The Pension Board has the machinery but the men themselves cannot use that machinery ten or fifteen years afterwards.

Mr. SINCLAIR: During what years did these mean and shabby actions occur?

Mr. KIDD: I know what you are coming at. There is no politics in this at all, no politics whatsoever; I just stated in a kindly way to the present board that it should never occur again, as it did after the last war.

The WITNESS: I have been associated very closely, although not directly, with the Canadian Pension Commission ever since my service in World War I, and I now and I state as a fact that no such policy was ever carried out by the commission.

Mr. KIDD: You mean that that was not carried out at all?



The WITNESS: Not as a policy, no.

Mr. KIDD: I do not like to differ with you, Brigadier Melville, but there seemed to be a lot of 100 per cent pensions. I can tell you of one case, the Bradley case. Bradley died and you can see the file. I came down to Ottawa and went before the pensions' board ten years ago and I thought it was the most cruel setup. That man had a 45 per cent pension.

I know of another case, the case of a taxi driver who was cut from 100 per cent to 5 per cent pension and the man was left in a position where he did not know how to pay his expenses. I just mention that because I do not want to go into details.

The WITNESS: I appreciate that, Colonel Kidd; but I say there was no such policy. The duties and responsibilities of the Canadian Pension Commission are clearly defined and laid down in the Act which says that pensions shall be awarded in accordance with the degree of disability which is found upon medical re-examination from time to time. That is what we have today, gentlemen. That is what parliament dictates shall be done.

The CHAIRMAN: But you have fixed amounts in regard to severe gunshot wounds, and they are never reduced. In fact, when a man reaches 55, the amount is automatically increased; and again it is automatically increased at 57, and again at 59. So a man with a severe gunshot wound as a disability can rely upon the fact that his pension will never be taken away from him and that it will be increased by 10 per cent at the age of 55, 57, and 59, the maximum being 80 per cent.

An there is also provision with regard to tuberculosis patients, that they will never be cut below 50 per cent, even though there be complete recovery. And even if there be an award that is granted on error and paid for five years the commission can make a decision that it shall be continued even though there is not an entitlement to justify it. They also have that power.

The WITNESS: Yes.

The CHAIRMAN: Are there any other powers you have to carry out Mr. Kidd's ideas, to give a veteran who has a disability some security? For example, in the case of sickness from which he does not get better, where you know he does not get better, is it not the same as with regard to gunshot wounds?

The WITNESS: I do not exactly know the case you have in mind.

The CHAIRMAN: Take the case of a man, for example, suffering from diabetes. He does not recover and he has to take treatment all his life. Can he rely upon getting a certain minimum pension?

The WITNESS: He would be pensioned in accordance with his disability; and if he is seriously disabled he would receive the maximum award permissible.

Mr. GILIS: I think all the discussion this morning has been on the basis of the present Act. This committee is here to change this Act if it is not meeting the requirements. Reference to the Act will not solve the problem. Personally, I believe the pension commission is doing everything possible within the scope of the present Act. There is no use in quarreling with the commission about decisions made in the past, because they made those decisions based upon the present legislation. But I would try to inject a principle into the Act.

Take Brigadier Melville's case of the tubercular veteran. Under the present machinery he is progressively reduced every two years. Now, if that man be a farmer and lives in the open, that machinery is all right; or, if he be a clerk it is fine. But, if that tubercular veteran happens to be a lumberjack or a fisherman, or a coal miner, or a steel worker, where his occupation takes him out of bed at 4 a.m., and where he works long hours at heavy work, and you reduce him 20 per cent the first year, he then has to make it up some way;

and the only way he can do so is to go back to his former occupation. Now, when you get him back to his former occupation you have him where his tubercular condition started in the first place.

Such conditions will prevail unless something new is written into the Act by this committee that will give the commission latitude to make a decision in accordance with a reduction in pension or any other pension assessments, whereby they can take into consideration the way that that man has made or is making his living. Otherwise there is not going to be any improvement in the Act. I know this is something new, but it is something, in my opinion, that should be given serious consideration by this committee. Unless you do that and give the Commission the necessary latitude to make decisions on that basis you are merely going to perpetuate the injustices committed under the old Act to men in these occupational groups. I think very definitely that the question of the occupation of the man and the way he has to earn his livelihood should be written into the Act and the Commission given the necessary latitude to make a decision on that basis. Otherwise you may fix up a man's disability temporarily and throw him back into a steel plant or into a boat at 4 o'clock in the morning but then you have got him back as far as his disability is concerned exactly where he was in the first place. Unless we are prepared to make changes like that there is no prospect of getting anywhere. There is no use quarrelling with the Commission. In my opinion the Commission is doing the best it can with the present machinery.

The CHAIRMAN: Are there any other questions?

Mr. LENNARD: There is one point that is more or less in keeping with what has been said recently. I feel that there is a great injustice to many widows who, just because the pension has been reduced—and I do not say unjustly—to below 50 per cent, at the death of their husbands are left with nothing. They are practically out on a limb. I feel that the Act should be changed and that something should be done for that class.

The CHAIRMAN: Of course, there is this. If the pension is paid in respect of something that is due to war service, as I understand the Act it is continued to the widow and the dependents.

*By the Chairman:*

Q. That is correct, is it not?—A. If death is attributable to service the dependents are pensionable. There is one section of the Act that I would quote for the information of the committee, section 25 (2), which particularly refers to Colonel Kidd's comment.

Permanent pensions shall be awarded, or pensions shall be continued permanently, wherever the disability is, or becomes, apparently permanent in extent: Provided that if it subsequently appears that such a disability has changed in extent the pension shall be adjusted accordingly. and usually, gentlemen, that is upward.

*By Mr. Skey:*

Q. Before we leave this subject I have one or two questions I should like to ask Brigadier Melville as far as the helplessness allowance is concerned. I understand that is under pensions as well. It is a part of the whole picture, anyway. I have information which is to the effect that men of the rank of lieutenant or captain and below who receive a helplessness allowance for 100 per cent disability get something over \$700, I think it is, and that a man receiving a higher pension for senior rank above that only gets a helplessness allowance of something like \$300. The application of those two allowances is that the man of junior rank with a lower pension gets a higher allowance, and the man of higher rank with a higher pension gets a lower allowance. That in

effect wipes out the difference that the Act already has with regard to a higher pension for higher rank. I should like to ask Brigadier Melville why this principle is overlooked in this case.—A. That answer is very simple, because parliament so determined. Section 26 (1) of the Pension Act makes provision whereby in case of helplessness the Commission may make an award of a helplessness allowance, the minimum amount being \$250 per annum and the maximum amount being \$750. Subsection 2, to which reference has been made, provides that in the case of those whose rank is that of captain and higher, certain reductions will be made. The actual effect of those reductions is this. The total disability award for all ranks up to and including that of lieutenant is \$900 per annum, and the maximum helplessness allowance is \$750 which gives you a total of \$1,650 per annum. If you take the case of a major the total disability pension is \$1,260 per annum and the helplessness allowance is \$390 per annum, the total being the same, \$1,650 per annum. The same total applies to ranks of captain and Lt.-Col. The Commission has to carry out the provisions of the statute and apply them as they exist in the Act. We have no discretion in that regard.

The CHAIRMAN: The reason for that, of course, I take it, is that it was felt that where a man was totally helpless he should not have less income than \$1,650, and that it is not regarded that a captain will need more to live on than a lieutenant or a private if he is totally helpless. In other words, parliament figured that a man who was totally helpless should have a minimum of \$1,650 a year, and that a captain or a major did not require any more to live on if they were totally helpless than a private or a lieutenant. I think that is the reason for it. Are there any more questions?

*By Mr. Green:*

Q. There is one question with regard to assessment I should like to ask. If a disability is assessed at 48 per cent I believe the practice is to award only 45 per cent. Under what authority is that done?—A. Again the authority of the Pension Act. If you refer to schedule "A" of the Pension Act you will find class 12, and class 12 says that 49 per cent to 45 per cent shall be paid at 45 per cent. I should make this clear. The Commission never assesses in percentages of one. Our absolute minimum is 5, and the odd percentages are arrived at in case of an aggravation. We have no discretion there.

Mr. GILLIS: That is what I was trying to say this morning.

The CHAIRMAN: If there are no more questions I think we have some time left to hear from Doctor Eyres. I doubt if we will have time to hear from Mr. Conn, but I hope he will stay and be in attendance so that we can hear from him in regard to the matter of wilful concealment. I think it would be better to have Dr. Eyres first. Then Mr. Conn can base his evidence partly on some of the evidence which is given by Dr. Eyres. Is that what you had in mind, Brigadier Melville?

The WITNESS: That is so. Dr. Eyres is head of the neuropsychiatric division. He is a veteran of World War I. He has associated with him in that division three other doctors, two of whom had very excellent service in World War II. We endeavor in that way to have our medical advisers conform to the pattern of the men whose cases we are dealing with.



**Dr. H. H. Eyres, Chief of the Neuro-psychiatric Division, Canadian Pension Commission, called.**

The WITNESS: Mr. Chairman, I should like to take this opportunity to express to yourself and to your committee my grateful appreciation of the privilege of being allowed to be present during your deliberations. If there is any means by which I can be of the slightest assistance I shall be most happy to be at your service.

It is not my intention to take up your time at this moment any more than to refer you again to the statement of our chairman presented before this committee on Friday morning, May 3rd, in which he made reference to the set-up and workings of the neuropsychiatric division of the Canadian Pension Commission. With your permission I should like to add a few remarks. The personnel of this group or division consists of four medical advisers and from 15 to 20 stenographers. In view of the fact that a very detailed precis of all medical reports in the service documents and on the C.P.C. file is completed for each and every claim, a fairly large staff of specially trained stenographers is essential. The four medical advisers are all men of experience, both in their profession and in active military service. The speaker served in Canada, England and France for about 4½ years with the C.A.M.C. in World War I and was also experienced in private practice and has been with the department for 19 years. Dr. N. C. Sully served in Canada, France and Egypt for about 4 years with the C.A.M.C. in World War II and has been engaged in private practice and on duty with the department for 16 years. Dr. J. E. Gamble has served in Canada and overseas with the medical corps for six months in the army and 4½ years with the R.C.A.F. and has been engaged in private practice for 16 years. Dr. W. F. Brown served with the R.C.A.F. in Canada and overseas for 5½ years and was medical consultant to the air force during the latter three years, and was in practice as a Fellow of the Royal College of Physicians, Edinburgh. That is just to give you a general impression of our set-up. I mention private practice because I think that background is most essential as a help in looking at cases from the personal standpoint. A doctor in private practice sees the cases and can sum them up in a different way from a man in other types of work. He can get to know the man personally, and he can size up a disability better if he has that background. That is my impression.

In the preparation of a claim for pension, we have available all the service medical documents and the C.P.C. file. If the applicant has been recently discharged, there is very little on the file except the final medical board. If he has been discharged for some time, there are usually hospital reports included, and also some correspondence. Both the service medical documents and the C.P.C. file are carefully perused and a precis completed. This includes in detail all relevant medical information and usually there are reports from several hospitals and from two to six complete Neuro-psychiatric reports submitted by different Neuro-psychiatrists. These usually include a complete history of the applicant's life from childhood and also a family history, a record of complaints and a description of the disability with final diagnosis. You will therefore see that there is a mass of information available for the commission when they consider the claim. In most cases the man is examined at the Canadian Pension Commission district office and the reports made available to the commission prior to arriving at a decision. May I here emphasize that the claim in each case is most carefully studied both by the medical advisers and by the commission before the decision is handed down. I would also like to add that the claim is dealt with, not as "just another case", but with the full knowledge that we are dealing with a human being and one who endeavoured to serve his country faithfully and was prepared to sacrifice his life if necessary.

Mr. Chairman, I thank yourself and the committee for your attention and I shall not take up any more of your time.

The CHAIRMAN: Are there any questions the committee would like to ask of Dr. Eyres?

Mr. HARKNESS: I should like to ask the doctor what his opinion is of the Pension Act as drawn up at the present time, having regard to these psychiatric or mental disability cases. I have heard the opinion expressed that the Pension Act is not properly applicable to a lot of these cases but that in some cases a pension can be awarded, and perhaps is awarded, where a man might be better without it, from the psychiatry point of view. In other cases pension cannot be awarded when it should be. Could you give us any information on that?

The WITNESS: There is no information in the Pension Act to say that pension shall not be awarded if the pension commission feel that a man is entitled to pension and vice versa. But there is one factor which comes into dealing with Neuro-psychiatric patients that does not come into dealing with other patients or applicants. That is the fact that treatment is so closely mixed up with pension. It is not just a case of pension, when we are dealing with pension, but it is a case of what is best for the man, what it is going to take to cure him and bring him back to be able to work at his accustomed work, to be a useful member of society and to his family. For that reason there are certain cases, particularly functional cases, where the payment of a pension or monetary award of any kind is not to the advantage of the man himself as far as a curative procedure is concerned, and in many cases is an actual detriment to his recovery. So that you can see the problem that we are up against.

*By the Chairman:*

Q. Would you explain just what you mean by functional cases, doctor; because I must admit that I do not know what you mean by that?—A. Well, functional cases, as most of us know from hearing of them, are those of neurasthenia, hysteria, psychoneurosis and neurosis. To bring it down, perhaps, more to a layman's standpoint than a professional standpoint, I might put it this way. There are very few people who have not had a minor functional nervous condition at some time in their lives, from overwork, the loss of their family by death or something like that. There are very few people who have not had some little functional disturbance. It may be indigestion. That is one of the commonest. It may be that, when a person is getting up to make a speech, his mouth gets very dry and he needs a drink of water. That is a functional disturbance, but that is a mild functional disturbance. You get that gradually increased until it becomes severe enough that he cannot accomplish his own work. I mean lack of concentration, lack of memory, sleeplessness, irritability; these are symptoms. But, as I say, it becomes sufficiently clear that a person is incapacitated for the time being, and this demands certain treatment. Well, there are certain forms of treatment that are very, very helpful, and there are other forms of treatment that are exceedingly objectionable and would make a man an invalid for life.

May I be permitted—I hope I am not taking up too much of your time, Mr. Chairman—to support that statement. I might refer to two cases which I happen to have in mind in support of the remarks which I have just made. In looking over the files not so very long ago I reviewed the case of a certain returned man. I had never dealt with him before. He was a World War I pensioner, pensioned since World War I, and I noticed that his condition was marked, "neurasthenia" and further, "nervous exhaustion"; and his assessment was one hundred per cent. To me that meant that either there was a mistaken



assessment—it was too high for neurasthenia, if it were only neurasthenia—or it was a mistaken diagnosis. I asked for a thorough examination and all the reports necessary, and I got the report of a psychiatric specialist, and he ends up his report by saying: "this man has nothing organically wrong with him and no definite functional disease, except the attitude of his mind towards himself and his environment."

Mr. MUTCH: Which confirmed your opinion?

The WITNESS: Which confirmed my opinion, yes. That was in the early days when we were trying things out—a new procedure for every person. And there was great pressure brought to bear to have this man given a pension because they said he could not work. That man was given a hundred per cent pension. The report ends up by saying that this has been caused, or aggravated or accentuated by giving this man a pension. Unfortunately I feel now that we cannot remedy that because the man will never have a different attitude; all we can do is keep on paying him the hundred per cent pension, which has been done.

Now, that was the procedure before they learned sufficiently about these cases. During the last ten years, and particularly during this war, the procedure has been entirely different. I admit that we come in for a fair amount of criticism and a certain amount of abuse.

And I will cite you the other instance now of a case I had about a year ago. This man had a functional nervous condition as the result of having come in contact with a high tension wire—perfectly legitimate. We had made a thorough examination; had one of the best specialists in the district, and a complete report was obtained. Then we had the medical examiner examine him and he sent in the suggested assessment. These assessments are largely being made at the head office now so that they will be uniform. He sent in the suggested assessment, that the man should be paid a fifty per cent pension. I had in mind other reports, like the one I mentioned. I wrote back and said that I did not feel it was in the best interests of the man himself to start right off paying him a fifty per cent pension; that we should wait a short time; that he might be perfectly well if we could get him re-established. I paid a good deal of attention to that case and I did a lot of work on it, and also a lot of writing; and I did an awful lot of thinking. I wrote out and I said I thought first that the man should be given an opportunity to become re-established, to get back into his occupation, and probably if that were done that not only every person else but the man himself would forget all about pension. We had the necessary treatment given, any treatment that he required, and had his case referred to the Rehabilitation Branch.

And may I point out in passing that this has been a marvelous thing in our Neuro-psychiatric cases—the personal interest shown to each man by the officers of the rehabilitation centres. It has been wonderful. All this took a certain amount of time, and after three or four months passed I wrote out for another report and got a letter back saying that this man was settled in his own occupation. I should say it was more than three or four months, it was five or six months. He had been rehabilitated and settled in his occupation and had been working steadily for some months, perfectly well and perfectly happy, and never said anything about a pension. We have never heard from him to this day, and that was two or three years ago.

Now that, gentlemen, is the way we are trying to deal with these cases at the present time. Unfortunately, there are a few cases among the returned men, just as there are in every walk of life, where a man wants to make the most of what he has got. That happens in every walk of life. There will be the occasional person who wants to do that, and that happens with us. The veteran sometimes presents himself to prominent people in the community to whom he describes his disability, showing that he is completely helpless and



cannot do any work, and he gains the sympathy of his family and his friends, and almost comes to believe himself that he is unable to work. But if that man is taken in hand in time and given his proper rehabilitation he will be returned to normal life. That is what we are endeavouring to do now; to bring him back to his family and to his community as a normal man. Then, if every effort towards rehabilitation fails, or partially fails, we consider the question of pension and pay him accordingly.

*By Mr. Mutch:*

Q. Just on that point, and while you are dealing with that question, is any contact made between the officers in the district and, for instance, a man's family or his prospective employers? I mean, is there any way—I should think it would be dangerous to do it by writing—but is there any personal contact attempted whereby what is being attempted to be done for the man is made known to his family or to his employers?—A. Made known to us?

Q. Made known to his family or to his employer? For instance, I have in mind a case where there is a refusal to grant a pension; do you talk to a member of his family and make it clear that he was not as normal as he was before? You would thereby build up a wall of sympathy around the man in the mind of his employer, with the result that he would be afraid to take him back. I can see how he would be confirmed with respect to his own illness. Do the local representatives of the board make any attempt to inform the family or the employer as to what the man needs in the way of encouragement to make him normal?—A. That is done by the neuro-psychiatrist, and that is explained in detail. It takes up a great deal of time. A neuro-psychiatrist may sit down and talk to that man for as much as two hours, explaining his disability and why it is so, and what he could do to be rid of it. Oftentimes that, in itself, is a cure.

Q. But does he go beyond that? Do you get to his family and employer and tell them?—A. Very very frequently some member or members of the family are brought into the district office and the case is gone over with his own family, and it is explained to them. And then again, we also have social workers who go out whenever it is necessary to find out the progress of those people and also talk to the members of the family and explain the man's condition to them and what is best for him.

*By Mr. Gillis:*

Q. I would like to ask the witness a couple of questions; personally, I do not believe that the attitude expressed by the witness that, in effect, in cases of this kind the proper approach is no pension. What I have in mind is this: suppose a man is suffering from a mental condition and is taken into a hospital and given a short period of treatment; that man may be married and have a family, it may be, of two or three children. Do you suppose that granting to him a pension would only prolong his disability? That man when he leaves the hospital goes out, but he has no pension, no income, and should he go back to a section of the community where there is no employment his situation is all the more aggravated. And secondly, in the matter of rehabilitation, there is another difficulty. Should that man want to take a course to which he is entitled, he first has to go before a training officer and be psychoanalyzed as to his aptitudes for a certain course or trade. Thousands of these boys are coming out of the service who have never had a job or a trade. The vocational training officer has to decide what is the best groove into which to put this fellow. Suppose he finds the man to be a nervous wreck, what possibilities are there for him? There are a whole lot of factors to be taken into consideration beyond just the psychopathic attitude of the man, and he has to be treated in such a way as to buck him up. But there is also a long list of economic circumstances that are creating a lot of difficulties.

I have run into cases of this kind. I come from Nova Scotia and I know that in your departmental hospital at Halifax you have not got any specialist there, and I do not think you have the necessary facilities to treat patients of this kind. I have run into several boys who have come back with nervous disabilities after combat service. They were put in the mental institution at Dartmouth. I had two fellows come to see me personally. They had been in there for some time but have been released and were supposed to be in such a position as to go out and compete in the labour market. Both boys were in a very bad state. They had no place to stay. Nobody would give them a room because they were thought to be a little queer. They did not have any pension and they did not know how to go about getting a gratuity; and they did not know anything about rehabilitation. And when I discussed the matter with the rehabilitation officials in Sydney, I found there was nothing I could do for them. No employer would take them and render the treatment as described by the witness. The result was that they were thrown into a position whereby they would become permanent patients in a mental institution.

What I ask you is: consider the economic factors involved when these men are turned out of hospital without pension. Perhaps they may have a family. Consider the difficulties of rehabilitation and the procedure in getting a course and being placed in some trade whereby they might earn their own living. I wonder if those factors are being taken into consideration?—A. Mr. Gillis, I appreciate that position very much. I appreciate hearing from you about it. It is a most difficult problem, the in-between period, most difficult problem and I am very glad to hear your remarks on it. I would be most happy if we could get suggestions regarding it, means by which we could improve it.

What we have been doing is this: we send here, for instance in the Toronto district and in the Ottawa-Toronto district, if a man is not fit to work we send him down to Scarboro Hall, the special centre there, or, if it be in Ottawa, out to the special health centre here in Ottawa until they are able to work. They are doing an exceedingly useful job. And we can, also, if the man is not ill enough to require going into hospital, but, yet not well enough to go out and take on any vocational work do what is sometimes done that is, continue him as an out-patient No. 1 so that he may go home and carry on as usual and do nothing if he is not able to work. But usually he feels more like doing something and that is frequently an incentive for him to get started doing a little bit. And he kept on those allowances until he is fit to go out and start at some little job himself.

Now, I quite appreciate what you say; it is a difficult problem that in-between stage. And might I suggest also, if there are any special like those with which you come into contact, we are very, very happy to have you write to us and explain them. Oftentimes we do not hear about them.

Q. I have written to the commission about some of them.—A. Another thing, perhaps you have written and it has not been successful. Then, I would suggest that if, at any time—I know you are a very busy person—but if you have got the time to come over and discuss a case with us and see what has been done from our standpoint, we would be very glad indeed for you to do that; and in some cases I think you will find that that will be a very great help, as some who have already done so have told us already.

Q. In the case of a married man, I think some allowance should be made to the wife. I have one case that is outstanding. A man was confined in a mental institution for a while and was then sent back home supposed to be cured. While he was in the institution his wife received an allowance; but when he came out, the allowance was cut off. This man had to go back to the steel works but he has done practically no work since. That woman writes pretty pathetic letters to me. She has two children and he cannot do

anything. He just lies around not doing anything and the family suffers. If you do not want to aggregate his disability by pensioning him, sympathizing with him in his imaginary troubles, I do think something should be done for the family; but I do not think there are any regulations under which the commission has the latitude to do it, unless the man has a pension and entitlement?

BRIGADIER MELVILLE: I would appreciate very sincerely, Mr. Gillis, if you would give me the regimental particulars.

Mr. GILLIS: I have already sent them in.

BRIGADIER MELVILLE: That does not stop me going again to see what can be done, and I would be very glad to do so. These are cases that deserve the understanding, care and attention of everyone of us. They are very, very serious problems. At the outset of your remarks I think you made mention of a man who might have a recurrence after five years or after so many years. Now, if there be a possible recurrence of this nervous condition, the commission has the right and the power under the Act according to an amendment made two years ago, to admit that man to a hospital for observation at the request of the Canadian Pension Commission. In other words, we are most anxious to determine his condition and, during that period of hospitalization for observation, to get these reports. We realize full well that his dependents must be provided for and we are in a position to pay allowance during that period of observation. I would be glad to take advantage of that.

There was one case, Mr. Gillis, I quoted a week ago to-day, and you asked if I knew what the background was. I have the history; it is case "E" and I might give you the information. It was case "E" in the proceedings of a week ago to-day which would be the 3rd May. Pre-enlistment history. Maybe I could refresh your mind for one minute.

On 1-31-46 the commission ruled: Schizophrenia—and remember gentlemen service was rendered wholly in Canada—pre-enlistment, aggravated during service, Canada, but not pensionable under section 11(2) as the evidence available is insufficient to establish that the aggravation arose out of or was directly connected with military service.

I pointed out that this man was *seriously* disabled and that, if he was in necessitous circumstances, the commission would be glad to consider a claim under the provisions of section 11 sub-section 3. This is the history you asked for:—

*Pre-enlistment history:*

Attended school to age 18, completed Grade 8, failed a couple of years. Rarely partook of any sports, spent most of his time hanging around the house. Worked for hotel as handy man for four years—in beer parlour and as waiter, etc., and then for five months trucking, and two years on machine work with General Motors.

And now his service reports:

*Service:*

Reports during Basic Training stated, "Military efficiency poor, has been doing general duties—batman, etc." Served with R.C.O.C. on general duties and final year in kitchens.

And now his post-discharge history:

*Post-Discharge:*

When examined at the District Office on 21-6-45 disability from schizophrenia assessed at 100 per cent. He was again examined at Westminster Hospital and the London District Office on 8-2-46 and there was evidence of improvement and he was working as plumber's helper and stated that he felt all right.

Everything was going well.



Mr. GILLIS: The reason I brought it up in the first place, Brigadier Melville, was that the witness made a statement that the commission had recommended a 50 per cent pension in a certain case. Now, you have your psychiatric division to advise you in certain cases. Evidently they advised you that no pension was indicated in the best interests of the pensioner. I said that I thought it to be altogether wrong. Of course you do not hire these fellows for fun, and in these mental cases, you take as a guide the opinion of the experts that you have hired in that field; and regardless of what you may do, they still have the right, evidently, to recommend that no pension should be indicated, because that 50 per cent recommendation from the commission was over-ruled by the psychiatric division, and that man was sent out. I would draw to the attention of the commission the economic factors that exist in Canada when sending a man out under those circumstances.

Mr. WINKLER: I would like to ask one brief question. I would like to ask Dr. Eyres regarding tubercular cases, whether there is any noticeable increase or noticeable aggravation or recurrence in one calling more than in another calling? For instance, is there more aggravation or recurrence in agriculture, or fishing, or clerking or in any other industry, that is, more in one case than in another?

Brigadier MELVILLE: That is dealt with by another division. I do not think the commission has any information in that regard, but I will make inquiry from the division dealing with the tuberculous and I will be pleased to submit that to the committee.

Mr. HARKNESS: I would like to know if you have had any cases of mental disability, such as a pensioner who is making his living in a normal way, in which no pension was awarded because his condition was taken as having been of pre-enlistment origin, or for any other reason apart from the one given, namely, that it was not in the man's best interests to have a pension. You could make a better cure without one.

The WITNESS: Might I just mention first regarding Mr. Gillis' remarks as well that I am not saying that we are not paying a pension. I do not want that understood. What I am saying is that there is just a short time in between when this man is able to go out and take rehabilitation or mild hospitalization, and that he is able to do some work. That is a very short time. I am not referring to several months or years or anything like that, but during a brief period of time when there is available, both treatment and rehabilitation. During that short length of time if we find he cannot carry on and we find he is not able to work we pay him a pension. I do not want it understood that we are not paying these men any pension.

Regarding mental cases, if it is a pre-enlistment condition and he has service overseas and he gets entitlement for that he is paid the entire pension for the whole disability, and a considerable number of these men are paid a pension. I do not want it understood we are not paying them. In fact, in the last three months out of 67 cases of schizophrenia 24 of those cases were ruled favourable and were put on pension. That is about 35 per cent. That is a mental disease.

*By Mr. Harkness:*

Q. That is a mental disease in which the origin is congenital, is it not?  
—A. There is a hereditary factor.

Mr. BENEDICKSON: In the case described by Mr. Gillis would the man be entitled to out of work benefits if he is not to get a pension in the meantime, hoping that he will be rehabilitated?

The CHAIRMAN: I am sorry, I did not hear your question.

Mr. BENIDICKSON: I am wondering in the case described by Mr. Gillis where the Pension Commission was loath to pay the man a pension as such because it might confirm his imaginary illness and delay his rehabilitation would he be entitled to out of work benefits?

The CHAIRMAN: If it was within the period provided by the Act, of course, but that right will expire very shortly in many cases.

Mr. MUTCH: There is just one thing. I do not think that Dr. Eyres suggested in any of these cases that there was any suggestion that these were imaginary illnesses. The ailment may be real but of an impermanent nature if it is properly treated. Was that not the impression you meant to give?

The WITNESS: I object very much to the term "imaginary", *very much*. It is not imagination. It is a genuine illness, and we treat it as such. You look upon that man as a patient.

Mr. MUTCH: I wanted that on the record.

The CHAIRMAN: Thank you very much, Dr. Eyres. Is there a feeling on the part of any member of the committee that they would like to have Dr. Eyres here for further questioning? Apparently not; we will let you know if we wish you back. Colonel A. L. Tosland has been here to-day and I thank him for coming. Some question was raised the other day about keeping S-5 men in the army for considerable periods. He is here to answer questions on that if the committee wish to have a statement from him. I think it is the desire of the committee to have a statement from him on that point, is it not? That is in regard to keeping S-5 men in for a considerable period after it is discovered they are of that category. Perhaps we could have Colonel Tosland back on Tuesday. Could you be back on Tuesday?

Colonel TOSLAND: Yes.

The CHAIRMAN: That will be fine. Then we will adjourn. I presume Mr. Conn will be here to make his statement with regard to some of these cases under wilful concealment and so on.

Brigadier MELVILLE: That will be all right.

The CHAIRMAN: Then we will adjourn until Tuesday next.

The committee adjourned at 1.05 p.m. to meet again on Tuesday, May 14, at 11 o'clock a.m.













Doc  
Can  
Com  
✓  
CA1  
XC2  
-45V21

Canada Veterans Affairs  
Apr 14 1946

UNIVERSITY OF TORONTO

SESSION 1946  
(HOUSE OF COMMONS)

(SPECIAL COMMITTEE)

(ON)

# (VETERANS AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 16

TUESDAY, MAY 14, 1946

WITNESS:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the  
Chairman, Canadian Pension Commission.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946





## MINUTES OF PROCEEDINGS

TUESDAY, May 14, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Gillis, Green, Harris (*Grey-Bruce*), Herridge, Jutras, Kidd, Langlois, Lennard, Marshall, Mackenzie, MacNaught, McKay, Merritt, Mutch, Pearkes, Quelch, Robinson (*Bruce*), Ross (*Souris*), Skey, Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Winters, Wright.

*In attendance:* Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. H. A. Conn, Assistant to the Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Colonel A. L. Tosland.

Mr. Mackenzie made a statement on certain proposed amendments to the Pension Act relating to blind pensioners, widows' pensions, Canadian pensioners who served with the Imperial Forces in World War I, and the insurance principle in relation to veterans of World War II who served in Canada only.

On motion of Mr. Croll, it was unanimously resolved that, in order that the effect of Mr. Mackenzie's proposals in respect to the restoration of the insurance principle, blind pensioners, widows' pensions and imperial veterans of World War I become operative as rapidly as possible, the Committee recommend that the Government take immediate action by Order in Council.

The Chairman tabled a draft of a proposed bill to amend The Veterans Rehabilitation Act, copies of which were ordered to be distributed to members of the Committee.

Mr. Melville was recalled, and questioned.

Mr. Conn was called, heard, questioned, and retired.

The Chairman reported that the Steering Committee recommended that the representations of ex-members of the R.A.F. Ferry Command, together with those of the V.A.D's and other members of the Canadian Red Cross Society and St. John Ambulance Brigade, and of all other civilian groups urging claims to benefits under veteran legislation, be referred to the subcommittee appointed to study the draft bill respecting civilian war pensions and allowances.

On motion of Mr. Croll, the recommendation of the Steering Committee was concurred in.

At 1.00 o'clock p.m., the Committee adjourned until Thursday, May 16, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS

May 14, 1946

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The Minister is prepared to make a statement to the committee this morning.

Hon. Mr. MACKENZIE: Mr. Chairman and gentlemen, before we proceed any further with our deliberations upon the Pension Act and the amendments which it is desirable to adopt at the present session, it should be helpful if I indicate certain decisions which have been reached by the government.

As a select committee we have had before us, since the sessions of 1945, a draft bill designed to give statutory effect to a number of amendments to the Pension Act which were adopted by order in council under the War Measures Act subsequent to the 1941 revision of the Act. The draft bill goes no farther than that. Every provision which it contains is already in effect and operation. On the other hand, the provisions dealt with in the draft bill have never been before parliament and with the lapse of the War Measures Act it becomes necessary to convert them into statutory form.

During the period that the draft bill has been before us this select committee has had the advantage of hearing representations from the Canadian Legion, the National Council of Veterans Associations and others with respect to the whole broad field of pension legislation. The government has also followed the discussions which have taken place in the committee so that, in the last analysis, matters of government policy may be determined in accordance with public opinion as reflected here.

The Pension Act is, of course, a money bill and amendments to it must be recommended to the House by the government. Arising out of the discussions which have taken place to date, the government has reached certain conclusions which I am not in a position to make known to this committee. I feel that in doing so at this stage a great deal of time may be saved in the matter of further discussion of proposals for which the government has decided to accept responsibility.

Four proposed amendments to the Pension Act, which will constitute new legislation and which are not to be found in the draft bill, have been agreed to. I shall discuss each one briefly.

### *Blind Pensioners:*

Veterans who are pensioned for blindness are entitled to a helplessness allowance of \$480 a year. When such a blind pensioner has come into hospital for treatment under allowances his helplessness allowance has continued. In some instances, however, elderly blind pensioners have been placed on "Veterans' Care", which is technically a treatment classification indicating that the veteran should receive accommodation in a hospital or veterans' home although he is not necessarily in need of active remedial treatment. In such cases it has been necessary under the Act to suspend the payment of helplessness allowance. The amendment which is now proposed will permit continuance of helplessness allowance to a blind pensioner in one of our institutions under the "Veterans' Care" regulations. With this allowance the blinded veteran in Hycroft, the Red

Chevron or one of our other homes will be able to employ an attendant when he goes out of the hospital to visit friends, to attend the theatre or some social gathering. I feel sure that this humane provision will meet with the hearty approval of the committee.

*Widows' Pension in case of Divorce:*

Another amendment has to do with the right of widow's pension for a woman who was separated or divorced from her veteran husband prior to his death. The rule hitherto has been that when a separated or divorced wife survives her husband and is eligible for a widow's pension, the maximum rate payable shall be the amount of alimentary or other allowances she may have been receiving under the agreement of separation or under order of the court. Experience indicates that this has worked unjustly in a number of cases. At the time of the family separation the husband may have been unemployed or in receipt of very small income. The court orders have been correspondingly small. The amendment now agreed to is that the commission may have discretion to pay widow's pension in such cases up to the statutory rate of \$60 a month.

Mr. GREEN: Is that \$50 or \$60.

Hon. Mr. MACKENZIE: \$60, sir. Continuing:

*Imperials of World War I:*

A third amendment approved by the government will be of substantial benefit to Canadians who served in the British forces during World War I.

It will be remembered that when a domiciled Canadian served with the British forces, was pensioned and returned to Canada to live, he was granted an augmentation of his pension to Canadian rates. By an agreement entered into between the British and Canadian governments in 1920 it was provided that, in the case of veterans who had held the rank of warrant officers or higher Canada should pay the augmentation. In the case of those below the rank of warrant officer the United Kingdom pays the augmentation. Since that agreement was entered into the terms of Canada's Pension Act have been broadened in a number of particulars. These additional benefits are granted by the Canadian government to the officer class—I do not like the word "class" but that is what is used in the statute—for whom, under the agreement, Canada is responsible. On the other hand, the British government recognizes mainly the terms of the Pension Act as it was in 1919 when the agreement was entered into. An obvious injustice arises in that officers get the benefit of the broadening of the Pension Act since 1919 and those below the rank of warrant officer do not. In the case of World War II there is no such distinction. All veterans in this category get the full augmentation.

The amendment which is now proposed will enable the Canadian Pension Commission to extend to Canadians who served in the ranks of the Imperial forces in World War I and to their dependents all the many improvements in Canadian pension legislation which have been adopted since 1920. Certain adjustments along similar lines will affect those Canadians who served in the forces of His Majesty's Allies in the same war. Some of these improvements may be mentioned: Veterans who have suffered amputations have been in receipt of an allowance for wear and tear on clothing long prior to and in excess of the British rate recently authorized. Special assessments have been provided for in the case of those suffering from pulmonary tuberculosis. Veterans pensioned for severe gunshot wounds are entitled to automatic increases upon attaining certain ages. Widows of veterans who were pensioned at the rate of 50 per cent or more are entitled to pension whether or not death was directly due to service.

These are just a few of the outstanding improvements in Canadian legislation since 1920 which were not enjoyed by Canadians who served in the lower ranks



in the Imperial forces during World War I. In justice it is considered that these benefits should be extended to them on the same basis as to officers, and on the same basis as to veterans of World War II.

### *Insurance Principle*

The fourth amendment to which the government has agreed is by far the most important and will end a controversy of several years' standing. This decision is with relation to the "insurance principle."

There are two principles in Canadian pensions:—

- (a) The so-called insurance principle, which provides for the payment of pension in respect of disability or death incurred during service;
- (b) the "due to service" principle, which provides for the payment of pension when the injury or disease resulting in disability or death was attributable to military service as such.

The original pension regulations adopted by order in council in 1916 gave to all persons serving in the First Great War the benefits of the insurance principle. This was modified in 1919, 1920 and 1921, but, after the exhaustive investigation of pension administration by the Ralston Commission in 1922, the insurance principle was restored to the Act in 1923. All persons who served in the Canadian forces during the First Great War are pensionable in accordance with the insurance principle. That is, death or any disability resulting from disease or injury incurred during the period of service is pensionable. With respect to peacetime service, pension is payable only when the injury or disease resulting in disability or death was attributable to military service as such.

When war broke out again in September, 1939, an order in council was passed making the Pension Act applicable to members of the forces serving in the new war on exactly the same terms as applied with respect to the First Great War. That is to say, personnel serving in the Second Great War were given the benefit of the insurance principle.

It will be remembered that in the early period of the Second Great War there were many uncertainties about its probable course. The menace of Japan had to be borne in mind, and it appeared probable that Canada would have to maintain a large military establishment within her own territory under conditions not dissimilar from those of peacetime service. Accordingly, on May 20, 1940, there was a further order in council limiting the application of the insurance principle to members of the forces serving overseas. At the session of 1941 there was a general revision of the Pension Act and this matter of the insurance principle was exhaustively studied by the special select committee appointed to deal with the bill. The solution that emerged was a compromise.

Section 11 of the Act, which determines the conditions under which there shall be entitlement to pension, was divided into three subsections. Subsection 1 contains the insurance principle, applicable to those who serve in a theatre of actual war. The scope of this subsection was broadened by defining any place outside of Canada as a theatre of war. Subsection 2 contains the "due to service" principle and was made applicable to members of the forces serving only within Canada. However, the committee and the government took cognizance of the fact that there had been numbers of cases of hardship, and a third subsection was added giving the pension commission discretionary power to deal with such cases. Subsection 3, like subsection 2, applies to members of the forces who have served only in Canada. In cases where death or serious disability is found, and the disease or injury causing that death or disability was incurred during service the commission may award a pension not exceeding the rates specified in the schedule when the disabled veteran or the dependents of the deceased member of the forces are found to be in necessitous circumstances.

In practice the commission has considered that a disability is serious if it is assessed according to the table of disabilities at 50 per cent or more. It has not been customary to award pensions under subsection 3 if the disability was assessed at less than 50 per cent. In view of the fact that the commission was given discretion, the general practice where pensions have been awarded under subsection 3 has been to grant initially approximately two-thirds of the rate which would apply in an award under subsection 1 or subsection 2.

Although subsection 3 has enabled the commission to make provision for most cases of hardship, there has persisted a sense of injustice with respect to the partial withdrawal of the insurance principle. It has been argued, with great force, that those who served in World War II should receive no less favourable treatment than those who served in World War I. Accordingly the government has decided that it will recommend the restoration of the Act of the insurance principle as it was in the first eight months of the war. The appropriate amendment is now being drafted and will be brought before the committee for consideration. Subsection 3 will disappear and there will be some re-definition of those who are eligible under subsections 1 and 2. All persons who have served in the active forces during the war will come under subsection 1. Subsection 2 will remain as it was prior to the war, as the protection for members of the peacetime forces. Veterans of World War II will be subject to exactly the same principles of entitlement as the veterans of World War I.

The committee will be interested in the results which will flow from this proposed amendment. On March 31 of this year there were 1,223 pensions in effect under subsection 3. Most of these pensions are being paid at two-thirds of the scheduled rates. Upon the adoption of this amendment all those pensions will be increased to the maximum rates provided in the schedule. In the case of widows this means that their present pensions—ranging chiefly in the neighbourhood of \$40—will be increased to the statutory rate of \$60. They will be on a par with all other pensioned widows. Similarly, those in receipt of disability pension will have their payments increased to full scheduled rates, in most cases an increase of approximately 50 per cent. In both death and disability groups the additional benefits apply to children also.

Up to January 1 the pension commission had ruled upon 15,602 cases where disability was incurred during service but was not pensionable under subsection 2 because service had been in Canada only and the disability was not caused by service. The commission had similarly ruled upon 867 cases of death among members of the forces serving in Canada only. With the adoption of the insurance principle the presumption is that all of these claims will now be pensionable. As has already been mentioned, 1,223 of these cases have been pensioned under subsection 3, the discretionary section. As of January 1, pensions to dependants had been awarded and were in effect in 635 out of the 867 death cases. In 44 other cases pensions had been awarded under subsection 3 and had been discontinued because the circumstances of economic necessity no longer obtained. In only 188 out of the 867 cases of death had pension been refused to dependants. The effect of the amendment will be:—

- with respect to the 188 cases, pension will be awarded;
- with respect to the 44 cases, pension will be restored; and
- with respect to the 635 cases, pension will be increased to the full scheduled rates.

Of the 15,602 disability claims which had been reviewed prior to January 1, pensions were in effect under subsection 3 in 532 cases of serious disability.

Pensions had also been awarded to 704 seriously disabled persons and subsequently cancelled because the economic necessity no longer remained. The effect of the amendment will be:—

that the rate of pension to the 532 will be increased to full scheduled rates;

the pensions of the 704 will be restored; and

the commission will have to review approximately 14,000 files where disability was found but could not be pensioned under the existing legislation.

In the vast majority of these approximately 14,000 cases the disability is small.

It is, perhaps, wise that I should mention that it will take some months to complete this review. In most cases the precise degree of disability has not been assessed and it will be necessary for the applicant to be brought in for medical examination. It is estimated, however, that the task can be completed in a comparatively few months. When the table of disabilities was recently amended to increase the assessment with regard to deafness, the thousands of cases affected were reviewed by the commission, and the new awards brought into operation, in about three or four months. The procedure has been considered by the commission, and when they receive the authority to go ahead they will act with the utmost possible despatch.

With the acceptance by the government of the amendments which I have just enumerated a very large field of discussion has been removed from the agenda of this committee, and it is hoped that we shall now be able to move forward rapidly with our other legislation, so that the Veterans' Charter may be completed at the present session.

The CHAIRMAN: Thank you very much, Mr. Mackenzie. I am sure that the committee is very pleased to hear the announcement from the minister this morning because, of course, it falls in line with what most members of the committee had indicated they were favourable to. I think the committee as a whole appreciates very much the decision of the government.

Mr. GREEN: There is no doubt that will be made retroactive to cover cases right back to May 21, 1940

Hon. Mr. MACKENZIE: My interpretation would be that it will certainly cover that case, but the actual date of payment would be as from the date of royal assent to this bill or from the date of the passing of the order in council, if this committee would so recommend to the government.

Mr. GREEN: It will cover all cases back to May 21, 1940?

Hon. Mr. MACKENZIE: Yes.

The CHAIRMAN: But the payment will only date from when the Act comes into force and, of course, that brings up a question which I was going to mention and have mentioned before. There are so many things that we should deal with that I feel that if not to-day we should decide on Thursday to commence consideration of the bill because there seems to be quite a bit of objection to proceeding by order in council. The people who will benefit by this decision of the government will not benefit until the Act has actually gone through our House and has received royal assent. Therefore I should like to see the Pension Act pressed through with the minimum of delay. We had decided that we would hear from Mr. Conn this morning, Brigadier Melville and perhaps Colonel Tosland in regard to keeping S-5 and M-2 men in the army, but after we have heard from them I would suggest that we proceed with the consideration of the Act.

In times past when it has come to a matter of considering the actual terms of some of these bills I remember, as was the case the last time the pension committee sat, that it was found that more headway could be made by holding



the sessions in camera. That is a matter, too, that I think this committee should consider as to whether when we start to consider the actual sections we should sit in camera and perhaps expedite the matter in that way. However, that is merely a matter that occurred to me when I was thinking about the problem that confronts us in regard to the vast amount of work we have to do.

As you remember the steering committee decided to deal with the War Veterans Allowance Act next. There are some very useful amendments that can be brought into that Act from which those who draw the allowance will benefit. The sooner we get that into legislative form the better it will be for them. I say these things so as to suggest that we try to press the various pieces of legislation through as quickly as possible.

Mr. FULTON: I do not know exactly how to bring this matter up, and I would ask for the forbearance of yourself and the members of the committee. I do not want to start a discussion or turn away from the matter we are now on. What I want to know is what is the best way in which I can bring this matter before the committee? It has to do with a matter which was previously discussed, and as you were mentioning the agenda for our future work I thought that I would mention it now. It concerns priorities to veterans under the Veterans Land Act and through the War Assets Corporation, a matter which was previously discussed. The reason I mention it now is that there still seems to be some dissatisfaction. I wanted to mention this now while the minister was here and I wonder whether some statement could be made as to what progress is being made in reviewing the policy so that this matter perhaps might be brought before the committee again. As I say, the only reason I mention it is because you were discussing the future program of work for the committee.

The CHAIRMAN: I would suggest, Mr. Fulton, that the steering committee will consider this matter and make a recommendation as to when it should come before the committee.

Mr. FULTON: Would you take that as notice, please?

The CHAIRMAN: Yes.

Mr. GREEN: The minister has mentioned that there would have to be some changes made in section 11, subsections 1 and 2. Is it the intention that a draft bill will be submitted to the committee which will contain all the amendments? I think that would simplify our work.

Hon. Mr. MACKENZIE: It is being drafted now, and it is the intention to submit it to the committee. It is up to the committee to recommend to the government whether they want us to act at once by order in council or wait until parliament acts.

The CHAIRMAN: In regard to that what is the wish of the committee? There is no doubt that now that this has been announced by the minister there are going to be many requests for pensions that have not been in payment up till now due to the fact that they had service only in Canada. Naturally the commission will be anxious to get at the work of putting as many of them in payment as they can as soon as possible. What is the wish of the committee in regard to that? There is this about it that if we deal with it by order in council perhaps it will enable us to pass it a little bit faster than if we simply say that we will endeavour to put it through in the ordinary way by legislation. Perhaps it will be an incentive to all of us to put it through faster and get on with other work.

Mr. WRIGHT: What is the position of the government with respect to whether or not this will be retroactive? Will it cover the period already passed?

Hon. Mr. MACKENZIE: It will cover all cases which would be entitled to the consideration made available by these new amendments but will only be payable as from the date of the royal assent to the legislation or the date of the order in council as may be acted upon.

Mr. WRIGHT: That would mean that the quicker we get this through the sooner they will receive benefit from it?

Mr. GREEN: Why could that not be made retroactive to the full extent allowed by the Pension Act?

Hon. Mr. MACKENZIE: That has been very carefully considered, and I might also say that there has been consultation with returned soldiers' organizations on that point. Their recommendation was that they would be quite satisfied if it was made payable from the date of assent to the legislation or the date of the passing of the order in council, as may be decided upon.

Mr. CROLL: It would have been covered by section 11 (3) during that time.

Hon. Mr. MACKENZIE: Some of them.

Mr. CROLL: Not all of them but most of them.

Mr. GREEN: A very small percentage.

Hon. Mr. MACKENZIE: There would be about 14,000 new cases, roughly speaking.

Mr. BENTLEY: There is a point that I want to ask the minister a question about. I do not want to raise any controversy, but there is a very interesting letter written by the Ontario Provincial Command of the Canadian Legion to the mayor of Toronto setting forth some facts about the cost of living in different cities like Toronto. Has that been given the consideration of the government?

The CHAIRMAN: It was the suggestion of the steering committee that it be mailed to each member of the committee so that they could read it, the idea being that they could consider it when the time comes to consider the War Veterans Allowance Act.

Mr. BLAIR: There is one question arising out of the remarks of the minister. In the case of students of blank university where the pension is cut down do they get the \$480 help allowance?

Hon. Mr. MACKENZIE: Yes.

Mr. PEARKES: The benefits which the minister mentioned as to the Imperials I believe refer only to Canadians who served with the Imperial forces?

Hon. Mr. MACKENZIE: Yes.

Mr. PEARKES: Is anything being done for the Imperial soldiers of World War I who have come to reside in Canada?

Hon. Mr. MACKENZIE: That raises a very great principle which has been a matter of controversy for the last twenty years or so in Canada, mostly in reference to the various allowances and not in reference to pension. The Legion's claim has been that those who came here before the 1st of July, 1930, should be entitled to the veterans allowance if they had served in a theatre of actual war, and the rebuttal claim has been that until such time that Canada feels that it should make a decision to look after Canadians who served anywhere, either in Canada or in England or in a theatre of war, Canada cannot recognize the claims of Imperials who came to Canada.

Mr. CRUICKSHANK: May I ask the minister a question? Would foreign exchange be taken into consideration in connection with the pensions of Imperial veterans?

Brigadier MELVILLE: I might make that position clear. In so far as a Canadian who served in the British forces is concerned and whose pension is supplemented by Canada he receives exactly the same award as a Canadian. In so far as a Canadian is concerned who served with the British forces whose supplementation is paid by the British ministry he receives exactly the same consideration as a Canadian. So far as I am aware the only difference that exists is in regard to Imperial pensioners who served with the British forces in

World War I and who subsequently came and established domicile in Canada. They are paid by Great Britain, and I suppose they are subject to the rate of exchange that exists.

Mr. GREEN: At what rate of exchange are Canadians paid who served in the British forces?

Brigadier MELVILLE: If their pension is supplemented by Canada or by the British Ministry of Pensions they are paid the same as a Canadian.

Mr. CRUICKSHANK: Mr. Chairman, this is probably a matter of government policy, and I do not know whether Brigadier Melville can answer it. I understand that the normal rate of exchange is \$4.86-2/3. Has consideration been given to bringing the British pensioners up to the normal rate? I am not an authority on banking. As I understand it it is now away down.

The CHAIRMAN: Do you mean a person who served in the British forces and who is not a Canadian?

Mr. CRUICKSHANK: Yes.

The CHAIRMAN: That is, as to a person who served in the British forces, was not domiciled in Canada but moves to Canada, that we make up the difference in the exchange. Is that what you mean?

Mr. CRUICKSHANK: I do not know that it means that we would have to make it up, but what I am interested in is that they be paid at the normal rate of exchange of \$4.86-2/3 irrespective of who is paying it.

Brigadier MELVILLE: Might I reply by asking if a corresponding individual was living in the United States would his British award be subject to a deduction on account of the premium? Canada has no obligation. If he is a Canadian who was domiciled in Canada prior to the war and his award is supplemented either by Canada or by the British Ministry receives exactly the same award, the same amount of pension, as a Canadian in every respect. The only difference exists with the ex-Imperial who is in receipt of an award from the British government, who came to Canada after World War I and who receives only his British award.

Mr. CRUICKSHANK: That is the point I am getting at. I presume it is a matter of government policy. I am not worried about the men in the United States. What I am interested in is if the British pensioner is domiciled in Canada is he to be penalized or is he going to get the normal rate of exchange?

Hon. Mr. MACKENZIE: I am definitely and strongly against that. I do not see why anyone in any part of the empire after he comes here should get all the war benefits of our Canadian legislation when some of our own men do not get those corresponding benefits yet. Canadians who were domiciled here and joined the Imperial forces or allied forces in this war are treated just the same as those in the Canadian forces. I think that is the only basis on which you can judge them, but surely you are not going to entitle people to Canadian benefits who came here after the war. I would oppose that.

Mr. CRUICKSHANK: I want to make my point clear. I am asking for information. I am not arguing pro or con. What I am trying to get at is this. Is he to get the normal rate of exchange? I am just asking for information. I understand that the normal rate is \$4.86 $\frac{2}{3}$  per pound. Does the British pensioner get the normal rate of exchange?

Hon. Mr. MACKENZIE: He gets the existing rate of exchange.

Mr. BENTLEY: I think what Brigadier Melville mentioned a while ago was that a person who was domiciled in Canada and then joined the Imperial forces and fought in them, and who is pensioned by them and comes back to Canada has his pension supplemented here and receives exactly the same.

Hon. Mr. MACKENZIE: That is right.



Mr. BENTLEY: Does that apply also to those who were called up to the Norwegian colours or other allied colours?

Hon. Mr. MACKENZIE: Yes. We will have a statement in regard to them which will be placed before this committee before long.

Mr. FULTON: May I ask the minister a question in connection with subsection 3 of section 11 which he said would disappear under the proposed amendment? I want to make a suggestion that when the amendment is actually being drafted perhaps further consideration might be given to leaving it in because cases may still arise which are not taken care of even under the insurance principle, cases where there is a conflict as to whether it is a pre-enlistment disability or not. I feel that if we left that section in there the commission would still have the discretion to award a pension in such cases where otherwise they could not make an award. With respect I would ask the minister to bear that in mind, and ask his officials to bear that in mind as to whether it might not be possible to leave it in so as to give the Commission that extra discretion.

Hon. Mr. MACKENZIE: The opinion of the advisers and draftsmen was that it was redundant and not necessary, but we would be very glad, indeed, to have a subcommittee of two or three from this main committee confer with the drafting officials in regard to that point.

Mr. CROLL: I am not quite clear on this, and I want clarification, too. Take the case of a man who had a broken back in June of 1941. He is not covered by the insurance principle. He is serving in Canada and is not covered in any event. He comes under section 11(3). He is now covered today. What about payment to him for the difference between June of 1941 and May of 1946? Does he or does he not get it? I am not clear on that.

The CHAIRMAN: I will take a shot at explaining that. When this matter was being considered the question of retroactive payment came up very clearly because altogether it would entail a large sum of money if payment was going to be made retroactive. We were assured that if the insurance principle was restored and made effective as from the date when it had the force of law that there would be no expectation that there should be any retroactive payment. In other words, if anybody was not covered heretofore because of the lack of the insurance principle in the case of service in Canada he will be covered and get a pension as from the date the law is changed, and only as of that date. We were assured that would be quite satisfactory to the representatives of the ex-servicemen. In other words, it was felt that it was a sufficiently extensive change in the law that they would be quite satisfied. It is the intention of the government that anybody who has been turned down heretofore because the insurance principle was not in effect in Canada shall at once have the right to apply, but that any entitlement that he will get because of the change of the law shall date only from the time the Act comes into force.

Mr. CRUICKSHANK: Then the sooner you put it into effect the better it will be.

Mr. QUELCH: Could I ask the minister if it is intended to make any changes in the exceptions in (c) of subsection 1 of section 11? There are three exceptions.

The CHAIRMAN: What is that?

Mr. QUELCH: Is it intended to make any change in the exceptions of subsection (c) of 1 of section 11?

Hon. Mr. MACKENZIE: That is one of the subsections that will be discussed in connection with this matter.

Mr. CROLL: In order to bring this to a head—and I take it on myself because I fear that Mr. Green and Mr. Fulton would hardly be in a position to do so—I would move that the announcement made by the minister this morning be put into effect as quickly as possible by order in council.

Mr. WRIGHT: I was just going to rise to suggest that when Mr. Croll did. I have much pleasure in seconding that motion. There are a lot of things in the Pension Act that we will have to give some consideration to, although I do agree that this will probably shorten our discussion on it, but in view of the fact that this is not retroactive I think that the sooner we give our consent to the government for immediate implementation of it the better it will be.

Mr. GREEN: As you know, I do not think very much of these orders in council. However, the minister more or less has us on the spot in this particular case.

Hon. Mr. MACKENZIE: I do not want to do that. I will leave it entirely to you.

Mr. GREEN: However, I think it is of great importance that these payments should be made at the earliest possible date. Of course, it might be worth while to point out that this looks something like a deathbed repentance on the part of the government.

The CHAIRMAN: There is nobody near death, Mr. Green.

Mr. GREEN: The insurance principle was taken out almost six years ago to the day. It has taken just about 6 years for some of us to convince them that it should be put back again.

Mr. MUTCH: I do not blame you for trying.

Mr. GREEN: We are very glad to see that at long last it has been restored. I do suggest that now that the payments are to be made payable by order in council, the actual wording of the amendments should be very carefully considered. I would ask the minister if serious consideration could not be given to meeting the other grave defect which was pointed out by the Legion, and that is with regard to this question of pre-enlistment condition. That I think should be dealt with at the same time. I have never been able to see why we do not write into our Pension Act provisions such as the British wrote in theirs three years ago. If you will turn to page 422 of the proceedings of the committee you will see there that Mr. Parker read out the British provision which is as follows:—

Where an injury or disease which has led to a member's discharge or death during war service was not noted in the medical report made on that member on the commencement of his war service, a certificate under paragraph (1) of this article shall be given unless the evidence shows that the conditions set out in that paragraph are not fulfilled.

He went on to say that that is what is known as the presumption clause. At page 424 he read the British White Paper which explained that amendment, and that White Paper explains the amendment in these words:—

His Majesty's government accepts the view that the fact that a man is accepted for service in the present war in a certain medical category may be taken as presumptive evidence that (a) at the time of acceptance he was fit for the kind of service demanded of a man in that medical category; and (b) in the event of his being subsequently discharged on medical grounds any deterioration in his health which has taken place is due to his service. While the Minister of Pensions will pay regard to any other evidence, including the consensus of medical opinion regarding a particular disease or group of diseases, which throw doubt on the presumptive evidence of the medical category in which a man was placed at the time of his acceptance for service, or on the presumption that service has played a part in the onset or development of the disablement, he will give full weight to the general view expressed above.

I am quite confident that those two presumptions would meet with the approval of every member of this committee in so far as the Canadian pension law is concerned, and that it is only a matter of how these presumptions should be

worded in Canada. I do not think that there is anybody who wants to bring in an amendment that would mean "fit for service, fit for pension"; but I do suggest that there is a vital need for a provision establishing those two presumptions in effect there: first of all, that at the time of acceptance the man was fit for the kind of service demanded of a man in that medical category and, second, that in the event of his being subsequently discharged on medical grounds, any deterioration in his health which has taken place is due to his service.

Mr. MUTCH: Have we not taken care of that?

Mr. GREEN: The state may rebut this presumption, but I think our Pension Act will not meet the conditions in Canada until presumptions of this type are written into the Act.

Mr. MUTCH: May I ask a question? Could the second presumption possibly be rebutted under a Pension Act which includes the insurance principle? The first one I think might be, but I doubt if the second one could be.

Mr. GREEN: Well, I do not think cases of this type are met by the insurance principle.

Mr. MUTCH: Aggravation.

Mr. GREEN: Because it is held that the condition is pre-enlistment.

Mr. MUTCH: There is presumption of aggravation.

Mr. GREEN: In my experience with men seeking pensions, I have found that the insurance principle would not cover many of the cases, and I think that this is the second very important point that should be dealt with by this committee in connection with the Pension Act.

Hon. Mr. MACKENZIE: Mr. Chairman, I think my friend Mr. Green and myself had an argument about this around a year and a half ago when he first brought up the matter of presumption. I should like the subcommittee dealing with the other drafting proposals to go into this matter. Personally, I am convinced that in the matter of presumption, what you have today under the Canadian pension legislation is far ahead of what they have in Great Britain. I am not going to say that in any dogmatic way at all, but I should like you to consider it for yourselves. I think Mr. Green and I had a friendly argument about it in the House in 1944. I listened to the argument then and I looked up some papers I prepared myself about a year and a half ago, and if you take the proper interpretation of section 62 of our Act, and what you might call the inevitable presumptions that are being followed now by the Canadian Pension Commission, we are ahead of Britain in favour of the soldier. I should like Brigadier Melville to say a word about it, and to have the subcommittee consider the matter, but I feel that our presumptions, are ahead of theirs, in favour of the applicant.

Mr. MUTCH: Speaking to the motion of Mr. Green for the moment, as one of a group who have been identified with this struggle to put the insurance principle back into the Pension Act of Canada, I think everyone on this committee over the years and in the committee now would bow to Mr. Green's remarks of a few minutes ago and accept him as one of the indefatigable workers for that principle. This occasion, however, is not one for the meeting of the mutual admiration society, or anything of that description. I think Mr. Cruickshank put his finger on the situation that we have to face in what he said a few minutes ago this morning, that the sooner we get this into effect, the better. For that reason I should like to suggest to the committee that we act on the motion which has been made requesting that the minister implement the amendment with respect to the insurance principle by order in council at



once and then these other matters which arise out of the discussion can be dealt with by the committee. I think the urgency is in the other, and I suggest we vote on that motion and get on with it.

Some Hon. MEMBERS: Hear, hear.

The CHAIRMAN: All in favour of the motion that was made by Mr. Croll please raise their hands.

(Motion agreed to.)

The CHAIRMAN: That is carried unanimously.

Mr. McKAY: Mr. Chairman, may I ask one question, and it is a fairly short question, in relation to this proposed amendment. I am not very clear on this subject of section 11, subsection (3); I believe it is. I should like to put a question to Brigadier Melville somewhat in line with the question I asked just recently of Mr. Parker of the British pension commission, with regard to pension for disabilities that are suffered. Would the veteran, for instance, who served in Newfoundland, where I believe arthristis is very common, be eligible for pension or a veteran having served anywhere else in Canada where there is no pre-enlistment history of disease, be eligible for pension if he developed arthritis while in the service,—bad enough, of course, to be disabled,—or, for instance, any other disease contracted in the service, such as chronic nephritis, diabetes or tuberculosis where, of course, disability will necessarily follow?

Brigadier MELVILLE: I am very pleased to answer that question. The commission welcomes the announcement that has been made by the minister this morning and will bend every effort to bring its application into effect as speedily as we can. With regard to the question Mr. McKay has asked, any disability incurred during service is now pensionable.

Mr. BLAIR: Or disease.

Brigadier MELVILLE: Yes, any disability resulting from injury or disease incurred on or aggravated by military service is pensionable.

Mr. McKAY: Regardless of the disease?

Hon. Mr. MACKENZIE: Yes.

Mr. GREEN: Unless you rule it was a pre-enlistment condition.

The CHAIRMAN: Then it was not incurred in service.

Mr. GREEN: Unless you rule it was a pre-enlistment condition.

Brigadier MELVILLE: That still makes it pensionable to the degree of aggravation. The only exception is where this injury or disease resulting in disability resulted from the improper conduct of the member of the forces. There are very few cases of that; but outside of that exception, there are none.

Mr. FULTON: I wonder, Mr. Chairman, whether Brigadier Melville could say how he would be able to deal with a case where it is ruled that it was a pre-enlistment condition and not aggravated. I think that most doctors will agree there is a wide field of discussion and difference of opinion on that question. Could he indicate how he could deal with a case of that sort when there is necessitous circumstances and where he possibly wants to deal with it, unless subsection (3) or some similar provision is left in the Act? I wonder if the brigadier could give us that?

Mr. CROLL: It is going to be left in the Act.

Mr. FULTON: No. The minister says it will be taken out.

Mr. CROLL: Then that is a good question.

Brigadier MELVILLE: In the case in question, if a decision has been rendered by the commission that the condition was pre-enlistment, not aggravated, the

applicant is advised by the commission at that time as to his right to proceed further in his claim to pension. The commission very frankly and very freely admits that our initial decision was based on the study of the documentary record. When the man is advised of that initial decision, he is also advised that he may proceed further with the presentation and prosecution of his claim to pension, and it is suggested to him that he seek the advice of the district pensions advocate or the service bureau of one of the veterans' organizations. When that evidence is received by the commission, we reconsider the claim. It will be noted from the statistics which I have tabled with the committee that a number of favourable decisions have been rendered on second hearing or renewed applications. If at that renewed hearing his claim is not fully granted, he again has the right to go ahead and he can claim on appeal, when he appears before the appeal board of the commission sitting in his locality.

Mr. FULTON: I quite appreciate the answer the brigadier has given, but I think he is dealing with procedural difficulties, and I certainly appreciate those. However, what I have in mind is the case where the pension commission wants to help a man; and I think that the figures given this morning are that there are only some 1,400 cases where those, what I might call compassionate awards, have been made. What I am getting at is the situation where a review of the case still shows that the condition was a pre-enlistment condition, but nevertheless the man has given good service and has suffered while on service, and it might be the desire to help the man. I would repeat my question: Is there any way in which he can be helped unless some such provision as is now contained in subsection (3) is left in the Act?

Brigadier MELVILLE: There is no provision in the Act. Section 11 (3) makes no such provision because section 11 (3) only provides for assistance or for, shall I say, a discretionary award, when the condition has been ruled by the commission as having been incurred on or aggravated during the service, and the member of the forces is seriously disabled and in necessitous circumstances.

Mr. CRUICKSHANK: May I ask a question there, Mr. Chairman? As I understand it this will become law as soon as the order in council is passed. Will any member of the forces who has applied in the past and who has been turned down due to the non-existence of the insurance principle, be able to get in now? Can he re-apply?

Mr. CROLL: Yes. He said so.

Brigadier MELVILLE: Yes.

Mr. CRUICKSHANK: Although he has been turned down in the past?

Hon. Mr. MACKENZIE: Yes. May I just remind my friend from Fraser Valley that we still have section 21 in the Act which gives a certain amount of discretion to the commission in especially meritorious cases. So you are not losing anything at all, in my judgment at least, in leaving out section 11 (3) of the Act. The case referred to by Mr. Fulton would not have been covered by section 11 (3) in the present Act.

Mr. CRUICKSHANK: I was not suggesting that we were losing anything. I wanted it to be made clear that if a man has been turned down, he can still apply.

Hon. Mr. MACKENZIE: Yes.

Mr. FULTON: Perhaps this could be best discussed in a subcommittee, but I should like to make my point clear. It has been stated by the chairman of the pension commission that this case could not be taken care of under subsection (3) of section 11. Subsection (3) reads:—

If a member of the forces has, while on service . . . incurred an injury . . . incurred in respect of which a pension is not awardable under the provisions of the two subsections next preceding—

And those are the ones which rule out a pension if it was a pre-enlistment condition, amongst other things. Therefore I would take it that subsection (3) is giving the commission discretionary power to award a pension as an act of compassion, even though it has been ruled out under the existing provisions.

The CHAIRMAN: It has not that effect.

Mr. GREEN: Read section 21.

The CHAIRMAN: Because the controlling words there—and this has been looked at for many, many years since it has been passed—are; "If a member of the forces has, while on service . . . incurred an injury or disease or aggravation;" that is, the injury, disease or aggravation must be incurred while on service.

Mr. FULTON: Yes.

The CHAIRMAN: If it was not incurred while on service, then obviously it does not take into consideration the case of a pre-enlistment disability which was not aggravated. In other words, if either the aggravation, the injury or the disease was incurred while on service, it is covered by the insurance principle fully. If it is pre-enlistment, it is not incurred on service; therefore it is not covered by section 11, subsection (3). I am surprised at my friend continuing—and he is a lawyer—to repeat this, because if he will read the section, he will see quite plainly that when you adopt the insurance principle, you make subsection (3) entirely unnecessary; unless you want to go further and say this,—which has been done under certain circumstances in the War Veterans' Allowance Act,—that if a man saw service at all and is in necessitous circumstances, then he gets an allowance, regardless of whether the trouble from which he is suffering arose during service or not. In other words, you are trying, as I take it, to import into this Act a pension just because a man saw service, without his injury, aggravation, disease or disability being in any way related to service. No service organization has ventured to suggest that. It was said by the veterans' organization that they would not think of asking, for example, just because a man went into the service, we will say, with one eye missing, and then later on becomes in necessitous circumstances, that a pension should be given because he served. That is, as I understand it, what you must be suggesting if your suggestion means anything at all. I suggest to you that that comes up under the War Veterans' Allowance Act, where we do provide for an allowance to people who are in necessitous circumstances but where their disability is in no way related to their service.

Mr. FULTON: Mr. Chairman, I am not going to enter into a controversy with you, but I must say before allowing this matter to drop, that I asked for an interpretation of the reasons as to why this section was to be allowed to drop. I agree that possibly the best way would be to discuss it in the subcommittee. You, Mr. Chairman, may be surprised, if you do feel surprised, that I should insist on this matter, but it is a matter which I felt to be important. Perhaps as lawyers we are entitled to disagree, but I do not think you are entitled to—

Mr. CRUICKSHANK: Let us get on with the veterans; never mind the lawyers.

Mr. FULTON: Mr. Chairman, I must say that when a member of the committee puts forward a suggestion that he is seeking information, I think he is entitled to ask for an explanation as to the reason why this thing has been dropped. As I say, I do not intend to press the point at the moment, because there is obviously room for a difference of opinion as to the meaning of the words "incurred an injury or disease or aggravation." My submission is that it does not necessarily mean it has to be entirely through disease while on service.

The CHAIRMAN: Nobody suggested that.



Mr. FULTON: That was the basis of my submission. As I say, I am content to allow the matter to be threshed out by the subcommittee.

Mr. LENNARD: Mr. Chairman, was Mr. Cruickshank's question answered? If it was, I did not hear it.

Mr. CROLL: Yes. The answer was yes.

The CHAIRMAN: Yes. It has been stated more than once.

Mr. QUELCH: Mr. Chairman, I understand that an order in council is to be passed which will restore the insurance principle. Will legislation be brought down this session embodying that order in council?

Mr. GREEN: Oh, in this Act.

The CHAIRMAN: With regard to this draft bill that we have before us now, the original idea was that as we came to the appropriate section, an amendment would be moved embodying the changes announced today, if it is embodied in an order in council. There is then, of course, this feature. The draftsmen of the department will be asked to draw up a draft of the proposed bill including these orders in council as well as the others. But I do not think that we should wait on that. I really feel that we should go ahead and adopt all the sections of this proposed draft bill that we possibly can; and by the time that we get through with that, the amendments embodying these orders in council that will be passed pursuant to the recommendation of the committee this morning, can be moved and added to the proposed draft bill.

Mr. CRUICKSHANK: May I ask you a question, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. CRUICKSHANK: Am I correct in assuming that the whole deliberations this morning may be summed up by saying that there is a veterans' gain? As I understand it, as from this date forth the insurance principle is in force by order in council which, in turn, will be provided for in this bill?

The CHAIRMAN: Yes.

Mr. CRUICKSHANK: But in the meantime the veteran is protected. Am I not correct?

The CHAIRMAN: Yes, that is the idea. I might as well make an announcement on a further matter. We have here a draft of the proposed bill to amend the Veterans Rehabilitation Act to give a statutory basis to the payment of the \$150 to the universities for veteran students enrolled, and the conditions on which that payment may be made. That will be distributed by the clerk to the members of the committee.

In regard to the fire fighters and supervisors bills those bills have been drafted in accordance with what the government has decided on in the light of the representations made by this committee. The question on which I think we should make a decision in that regard is as to the procedure. We have already discussed these proposals fairly fully, and the thought occurred to me that in order to save time the government might introduce a resolution into the House—they are money bills—and then after they are introduced into the House have them referred back to this committee if the committee so desires.

There will be separate bills in regard to the fire fighters and supervisors. The question is does this committee want the bills referred to them in the proposed draft form or will we take the attitude that we discussed them, we have made our representations, the government has come to its decision, and we can argue about it just as much after we get the actual bill before us, if we want it before us, as if we asked that it be submitted to us again. Personally I think it would save time if we only have it before us once more.

Mr. GREEN: All that happened when that bill was originally submitted to the committee was that there was a recommendation put through the committee to the effect that men of the auxiliary services and the fire fighters should be treated as though they had been in the forces. We did not consider the details of the bill then submitted. Now I understand that the government have a new bill drawn up?

The CHAIRMAN: They have come to a decision in the matter.

Mr. GREEN: There are two new bills, are there?

The CHAIRMAN: Yes.

Mr. GREEN: In order words, they are not dealing with them both in the same bill?

The CHAIRMAN: No.

Mr. GREEN: Then I suggest that those bills should be placed before this committee for consideration just as was done before rather than jump one stage and put the bills right into the House. I do not see why an attempt is being made to do that.

Mr. CRUICKSHANK: May I ask a question? If there are to be two bills presented to cover those two bodies is there also to be a bill for the girls of the St. John's Ambulance Corps, the Merchant Marine, and so on? Is there to be a separate bill for each one?

The CHAIRMAN: That question is being studied, and it will have to be studied by this committee, too. We made a recommendation in regard to the fire fighters and supervisors and the thought I have in mind is that we have considered them once and made a recommendation. The government has come to a decision in the matter. The government has to take the final decision and has to take the responsibility. What I had in mind was that if the government introduces a bill they are quite ready to have the bill referred back to this committee. In other words, the question is how many times do we want these bills before us? If we are satisfied to have them before us once, then after being introduced in the House we can get the actual bill in front of us. It can be referred to this committee. That is the usual way in which legislation does come to a committee.

Mr. GREEN: That is not the way we have been doing it here. We did not discuss the details of that bill.

The CHAIRMAN: I suggest—and it is in order to get the work done—that it will be more expeditious. That is a matter for the committee to recommend as to what they wish, but it would be more expeditious for these bills to be introduced into the House and referred back to this committee for debate and discussion. We can discuss it just as well after we have got the bill in front of us. I am quite frank to admit to the committee—and I do not want to conceal anything from them—that when it comes back to the committee no amendment which will involve the expenditure of money can be entertained by the chair, but the question is that once having made a recommendation and the government having decided how far it is ready to go is there anything to be gained by the matter coming before us in the form of a proposed draft bill, perhaps other amendments being suggested to the government, going back to the government again and coming back again? Have we not got to accept at some time the position that the government is the one that is going to decide how much money is going to be spent? This committee has made its recommendation. Should we not then say that we will accept the next step which is a bill from the House?

I do suggest to the committee that there should be a limit to the extent to which we should go in undertaking to try to draft actual legislation when after all under our system of responsible government the government has to



take the final responsibility. I only suggest that for the sake of getting down to what can be done. That is all that I am suggesting. I would remind members of the committee that last session we made wonderful progress because we were ready to put through what we were able to get agreement on without holding it because there could not be agreement on some of the things that we would have liked to have written into the bills.

Mr. GREEN: Yes, but in the last session on each occasion a bill was brought to this committee, considered by the committee, agreed on by the committee and then went through the House without any trouble or delay, and the same thing was done with certain orders in council. They were actually brought here before they were passed by the cabinet. What you are proposing now is something entirely different. You are proposing that a bill be taken directly to the House and then if we wish referred by the House to the committee, but you point out that once that bill comes here no amendment can be recommended by this committee if it concerns the expenditure of more money. In other words, that ties the hands of this committee. I think it is entirely contrary to the way in which we have functioned since this committee was first set up last year. I suggest to the members of the committee that we would be very foolish to make a change of that type at this time.

Mr. WRIGHT: I might say that I agree with Mr. Green in this matter. The reason why we got the bills through the House as quickly as we did last year was because of the fact that we had come to an agreement here first. If we fail to do that we are not going to expedite the passage of these bills because it would simply mean that the discussion will take place in the House rather than taking place here. I would ask the chairman to take that into consideration. I think that the time of the House is probably more important than the time of this committee. We did that last year because as a committee we wanted to get the bills through immediately, and that was because of the matter of time. This year we have more time, and I suggest that the time should be taken in the committee on these bills.

Mr. QUELCH: I quite agree with the last two speakers. Whilst it is true we have no power to amend a money bill in this committee we have power to make recommendations thereon. Therefore, if we were not entirely satisfied with the bill we would have the power to make a recommendation for certain changes. I think it would be better for that recommendation to be made in the committee rather than to wait until the bill comes before the House and have some member get up and criticize it on the grounds that it has not passed through the committee.

Mr. CROLL: Is this not what is going to happen? Mr. Green is quite right in what he said. Last time we agreed on things. We said, "This is quite all right", and when it came to the House everyone cooperated and there was very little discussion with the result that I think we made a very good impression on the country generally and the House as veterans. We are not in agreement on this. I do not speak as one person.

Mr. GREEN: If the government had accepted our recommendation we would be in agreement.

Mr. CROLL: You can see from what the chairman said that the government has not gone as far as this committee has gone in its recommendation. Those of us who have advocated this, and those of us who have been against it, must bow to the inevitable. What would happen would be that we would get the bill here. There would be a further discussion on it. We go through the whole thing again. Then it goes into the House, and any member is free when the bill is introduced to have a further discussion on it. That is two discussions. Then it comes back here. It is referred back to the committee and we have a further discussion on the same bill.



Mr. GREEN: With everything ruled out of order that involves the expenditure of money.

Mr. CROLL: Here you can discuss almost anything.

Mr. GREEN: But the chairman has told you what the ruling will be.

Mr. CROLL: He said that it will not be acceptable, but nothing is ruled out of order. You can discuss it. Then we go back and discuss it once again in the House. We will then have four discussions, and we will be taking up the time of the House and the committee. What the chairman has suggested is that it go to the House, and anyone who wants to discuss it there has an opportunity to do so. Then it comes here. There will be an opportunity to discuss it freely, and then it goes back into the House again. Thus we will cut down on one discussion period. I think that everything has been said that could possibly be said on behalf of these various bills. We have got so little time and so much work to do that we ought to accept the chairman's proposal since it is not going to cut down on our opportunities to discuss the matter.

Mr. CRUICKSHANK: May I ask the speaker a question? The fire fighters and auxiliary services are just two of the branches. I do not see how it is going to cut down on discussion. Certainly I am going to discuss it on the floor of the House, but I think that I could discuss it better here. As I understand it these two bills are to be submitted to us when such things as the St. John Ambulance girls and other people are left out.

Mr. CROLL: No, no.

Mr. CRUICKSHANK: As I understand it they are to be passed and sent to us from the floor of the House. Why not let us discuss it here, because I for one cannot see why such a bill should be prepared for those two services when the others are left out. I should like to know why the others are left out.

The CHAIRMAN: May I answer the question of Mr. Cruickshank? We have got to go one step at a time. They are separate bills so that they will not be tangled up together. There is no suggestion of anybody else being left out or forgotten or anything like that. The subcommittee, for example, is studying the matter of civilian pensions and will make a recommendation as to those who should be brought under it. The same thing will be done and is being done in regard to these other matters. I would draw this to the attention of the committee. Either we want to do something for these fire fighters and supervisors or we do not. If it is insisted as to this matter that it come again in the form of a proposed bill to this committee before we can take a step in the House then when are we going to discuss this proposed bill?

I just want to lay the actual situation before this committee. If the government introduces this bill into the House it can get first reading, second reading and it can be referred to this committee. Then all that this committee has to do is discuss it some time and decide whether or not we will report the bill. If it does not want to do it it does not have to once it is reported to this committee, but there is this point about it, that we will have taken certain definite steps forward, but if we have got to bring this proposed draft bill back to this committee again, as I understand the decision of the committee we will not take it up until we have discussed pensions and the War Veterans Allowance Act. It would mean that in regard to these bills having to do with the fire fighters and supervisors there would be no chance of getting them even introduced into the House before some time in July.

Let us be realists. Let us realize what the situation is. I urge the committee to get something done. The government has considered everything said in this committee. Representations have been made to it. It has considered them all. It has come to a decision as is its constitutional right. Any further representations can be made just as well when it comes to this committee from

the House as on a proposed draft bill. There is this difference—and as I say I want to be frank and honest with the committee—that an amendment which means an expenditure of money cannot be entertained by the chair because it would not be in accordance with the rules. We can discuss it, make a recommendation and do everything we can do except actually move an amendment.

I put this to the committee. We can recommend when it comes to us from the House. That is all we can do when it comes to us in the form of a proposed draft bill. No recommendation that we make in regard to a proposed draft bill has any binding effect. All I am asking is that the committee agree that some real definite steps shall be taken. For example, as I indicated to the committee, the government is prepared to go a very great length in regard to the supervisors. Let us agree to them actually getting that into the House, and when they have some time put it through second reading instead of holding it up until some time in July, and the same thing in regard to the fire fighters. Goodness knows we have discussed it over and over again. Let us agree that we can at least get it into the House.

Mr. GREEN: We did not discuss the details at all except whether they should be treated as members of the forces. That is the only thing we discussed. We did not go into any details on that other bill.

The CHAIRMAN: In regard to the supervisors, for example, I indicated at that time that the government is ready in respect of their service overseas to treat them as members of the forces and give them the same rights as members of the forces except in regard to income tax. The only thing that has not been accepted in regard to supervisors, as I understand it, is in regard to the question of income tax. The government has made a decision on that. If the draft bill comes back in here again it is quite true if the committee adheres to its original decision it will probably pass another recommendation that they be given the same rights in regard to income tax exemption. It goes back to the government. In the meantime we are considering pensions and war veterans allowances and all the rest of it. When will that get into the House if we persist in refusing to accept the decision of the government? What I am suggesting is that we permit the matter to go as far as first and second reading. Then if we do not want to accept the decision of the government on that matter we do not need to report the bill.

I am merely asking that we do this thing in a business-like way. We have had the draft bill before us. We have made our recommendation, for example, in regard to the supervisors. The government has accepted everything except in regard to income tax. I urge the committee to let it go into the House and come to second reading, because after all then we can deal with it on some extra day and decide whether we will recommend it or not. Then it can be put through third reading and the supervisors will get the benefit of the Act, but if we persist in refusing to deal with this thing then the supervisors are losing the chance of getting training and other benefits which they will get now. I urge on the committee that it is a good deal better to give them the advantages which the government is willing to give them than to hold the advantages up indefinitely while we argue the matter and try to force the hand of the government.

Mr. KIDD: Before you leave that point do I understand the chair to say that the government is bringing down legislation to deal also with the Red Cross, V.A.D., and the St. John's Ambulance girls?

The CHAIRMAN: It is studying it.

Mr. KIDD: Is it bringing down a proposed bill?

The CHAIRMAN: And this committee under the terms of reference has the right to recommend that legislation be passed in regard to all of these groups. What we were discussing more or less tentatively this morning in the steering

committee was whether we should set up a sub-committee to study it, or refer to the present sub-committee, the question of these other groups in regard to these matters.

Mr. KIDD: Just a minute. We have already dealt with it. We have a recommendation to you and through you to the government that we deal with the Legion, the Y.M.C.A., the Salvation Army, and the Knights of Columbus; the fire fighters we had twice. Do you want us to make a motion to recommend that the committee agree to continue to bring in additional legislation or are you going to do it? I will make a motion if you want me to, if it will help in any way.

The CHAIRMAN: Well, Mr. Kidd—

Mr. KIDD: Just a minute, Mr. Chairman.

The CHAIRMAN: I just want to understand you.

Mr. KIDD: Pardon me a moment. I think I am bringing out your point, Mr. Cruickshank, that we want legislation brought down this session to deal with the Red Cross, the V.A.D.s and the St. John Ambulance supervisors along the same line.

Mr. CROLL: That is what he is doing.

Mr. KIDD: We do not want the session to end without doing that. I am bringing that to your attention now, Mr. Chairman. I perhaps should have brought it to the attention of the minister.

The CHAIRMAN: All I can say to you is this. These matters have been referred to this committee and it is very busy with other matters, and the question is how in the world to get these other items through.

Mr. KIDD: There are only two.

The CHAIRMAN: Oh, no. There are several. There are about eight or nine groups.

Mr. CRUICKSHANK: May I ask a question in that connection, Mr. Chairman? Is it possible to forget the fire fighters, the supervisors and everybody else, deal with the fighting men first and get that matter cleared up?

The CHAIRMAN: The point is, Mr. Cruickshank, that that is pretty well the opinion of the committee; but it is felt that the fire fighters and supervisors are entitled to a little bit of extra consideration.

Mr. CRUICKSHANK: Over the veterans?

The CHAIRMAN: No, but extra consideration over some other civilian groups; and if we could help them along, it would be well to do so. For example, there are the supervisors who served overseas. If we can somehow, without delaying dealing with the fighting men, advance their case, that is all I am asking. The same applies to the fire fighters. In regard to these other groups, we set up a sub-committee to study the application of pensions to them. That sub-committee not only is studying that bill in regard to the groups mentioned in the bill, but in regard to any other group that they think should be in the bill.

In regard to other rehabilitation benefits as applied to different groups that are applying for them—and there are about nine or ten groups—we should, I think, refer them to another sub-committee or this same sub-committee, because our time is going to be very limited. What I am urging is that we make some headway in some of these matters. If the committee wants to refer the study of these other groups, in regard to benefits other than pensions, to the sub-committee, that is one way of doing it; or we could set up another sub-committee to study matters other than pensions. On that point, I think the committee would like to hear from the chairman of the sub-committee if he is here as to whether they can take on that extra work without holding things up.

Mr. CROLL: He is not here.



The CHAIRMAN: I am inclined to think myself that it would be better to set up still another sub-committee to work on those matters. There is no attempt made to hold things up, Mr. Kidd; it is just a matter of time. We have actually got the supervisors and fire fighters to a position now where we can really do something for them.

Mr. KIDD: I am willing to let it go, but the main thing is to get something done this session.

Mr. CROLL: Mr. Chairman, I will make a motion, and we will get going and see what happens. I will move, as to the auxiliary services bill and the fire-fighters bill, that the committee recommend the introduction of those bills into the House to get first and second reading, with the understanding that they will be referred back to this committee for such recommendations as this committee may see fit to make.

Mr. GREEN: Without the committee even seeing the bills at all?

Mr. CROLL: No, following the recommendation that was made. I know what has been done.

Mr. QUELCH: Would it be possible for that to be done without a motion?

The CHAIRMAN: Yes.

Mr. QUELCH: If you move a motion, it looks as though we recommended this bill in the present form.

Mr. CROLL: All right. I do not want to put you in that position.

Mr. QUELCH: I did not understand that these bills would be referred back to the committee on second reading.

The CHAIRMAN: Oh, yes.

Mr. QUELCH: So long as that is the understanding, I withdraw my objection.

Mr. CROLL: I will withdraw my motion.

The CHAIRMAN: May I report that as long as we get this bill back to go at it again, we have no objection to its being introduced to the House? We still have the right to deal with it.

Mr. BROOKS: Will it be adopted in the House before it comes back here?

The CHAIRMAN: That is another question where we might be able to save time. It could be understood, gentlemen, that there should not be an extended debate on second reading, but the understanding could be that there could be as extended a debate as desired on third reading, when it was reported back from this committee. That might save us time.

Mr. GREEN: The chairman must think we are very simple if he thinks we will agree to any such proposal.

Mr. CROLL: Oh, no.

Mr. GREEN: If the government are going to bring in this bill and apparently are refusing to accept the recommendation of this committee, then it will have to take whatever comes to it on second reading and at any other stage.

The CHAIRMAN: That is right.

Mr. CROLL: Perfectly right.

Mr. GREEN: What is happening now is that here is a case where the government are unwilling to accept the recommendation of the committee. They are trying to get out of one stage at which there may be suggestions and criticisms made and attempts made to improve the bill. They are trying to get out of that by going to the House first. I presume they will do the same thing with any other bill on which there is a recommendation made that they do not like. If they want to do that, it is up to them; but they need expect no consideration if they do things of that type.

Mr. SKEY: I should like to second what Mr. Green has said, Mr. Chairman. I think you are ruling out the possibility of agreement by putting forward two more bills that the committee are not agreed on. Why cannot we see this legislation with the government proposals, and their alternatives to the resolutions of this committee? Why cannot we send it to a subcommittee of this Veterans Affairs Committee and see if we can agree on it? Then we will have all the strength we had left last session when we were agreed on legislation.

The CHAIRMAN: The only reason is this. I can fetch this bill in before this committee, but the committee has already decided that it is going to deal with pensions, and finish pensions. It has already decided it will go on with war veterans' allowances. Then there are other important matters which affect the service men. If it is the wish of this committee that these bills shall be held until we have time to deal with them again before we put them in the House, I am free to tell the committee that the government will accede to that wish; but when they will get into the House nobody knows, if we adhere to our decision that we are going to deal with matters affecting the service men first.

Mr. CROLL: That is not the point.

Mr. SKEY: I am not proposing any delay on any of the important matters concerning the fighting men, with which this committee is dealing. I am just saying that we might set up another subcommittee; and if they cannot agree, then we could follow the course you have suggested.

The CHAIRMAN: Apparently I have not made myself clear. If we fetch these two separate bills in the form of a proposed draft bill to this committee, we will have to stop consideration of the pension bill and the war veterans' allowance bill, in order to consider these bills.

Mr. SKEY: That is not what I suggested.

Mr. FULTON: Refer them to a subcommittee.

The CHAIRMAN: If they are referred to a subcommittee, they have got to come back here, and they will stay on the agenda until we dispose of this other work. If that is the wish of this committee, to hold these things for another six weeks or two months, all right; if there is going to be a threat that there is going to be a great deal of debate and protest in the House about the government trying to advance this legislation, I do not think they will undertake to hold matters up in the House while the thing is protested about.

Mr. SKEY: You are ruling out the possibility of agreement.

Mr. FULTON: You are painting a gloomy picture.

The CHAIRMAN: I am not painting a gloomy picture. This Pension Act will take some time.

Mr. FULTON: May I just make this observation. Surely if you refer this to the subcommittee, it is not beyond the realm of possibility that the subcommittee might agree, and report back to this committee which has, in the meantime, been considering the pension bill. It could report back that they have considered this bill and that they are agreed on it so far as it goes. Then all you have to do is say, "Gentlemen, before we go on with the business this morning, we might consider the subcommittee's report." We might dispose of it in about half an hour because presumably it has been fully considered in the subcommittee. Then when that bill is disposed of, it could go into the House. I think you are painting a very gloomy picture, Mr. Chairman.

The CHAIRMAN: If it is the desire of the committee not to have further steps taken to advance these bills, and if they want them referred to a subcommittee, with the idea of coming back to this committee at a later time when we get around to them, which will probably be towards two months from now, all right.

Mr. FULTON: Mr. Chairman, I made no such suggestion. I am just asking why you do not consider it is possible that the report might be considered, after having been considered by a subcommittee, without extensive debate in this committee?

The CHAIRMAN: Well, I say that if the committee is of the opinion that a subcommittee is going to be able to arrive at a unanimity on the thing, then this committee is going to be able to dispose of the thing in half an hour, and then on the basis of that the government is going to accept it, having already considered the whole position, that is all right; if it is the opinion of the committee that is going to advance these bills, then as far as I am concerned I am ready to abide by the will of the committee. I have suggested a way in which I think we can make some headway, but if it is going to be regarded as in some way an infringement on the rights of this committee, or going to be made the basis of an attack on the government because it has not referred this proposed draft bill to the committee, then my attempt has failed and these people will just have to wait until we get through with the fighting men.

Mr. MERRITT: Mr. Chairman, that is not the proper way to put things forward. In this committee we have followed a certain procedure which was that we discussed the bills, clause by clause, before they went to the House. In the case of these two bills, the government has decided not to accept the recommendation of the committee; and in order to cut off further debate on that, they want them to go into the House first. If the government wants to do that, let them do it without trying to get a motion from this committee or any kind of tacit consent. If you are going to take your own course, take it; but do not attempt to get from this committee a tacit consent to doing something that I do not think the committee is favourable to doing.

The CHAIRMAN: If the committee is not favourable to that action being taken, the government will not take it, because they do not want to have a big debate arise in this House on the contention that in some way they have done something that causes slight on the committee. If it is the desire of the committee to have these bills referred to them again before they are entered into the House, I assure you that the government will respect the wishes of the committee. If Mr. Merritt's statement is correct that it is the desire of the committee to have these bills once more referred to them before they are introduced into the House, then the government will certainly respect that desire. But I thought that the committee would desire to make some headway with these bills.

Mr. CRUICKSHANK: Let us discuss flags.

Mr. LENNARD: If this committee does not decide on the bills here, there will be discussion in the House.

The CHAIRMAN: Nobody suggested that there should not be discussion in the House. Nobody suggested that there should not be full discussion in this committee when the bill comes back to it. Gentlemen, this procedure that we are following of referring draft bills to the committee before they are introduced into the House, is most unusual.

Mr. GREEN: It worked very well.

The CHAIRMAN: Yes, it has worked well. We have had these bills in front of us once. We have made a recommendation to the government. The government has come to a decision on it. All I am suggesting to the committee is this, that if there is going to be no great objection from the committee—I do not want a motion; I do not want anything—these bills will be introduced into the House, and if this committee requires it they will be referred back to the committee for discussion and consideration.



Mr. BROOKS: Mr. Chairman, can you tell me how you would shorten the discussion by having the bill that is submitted to the House on second reading referred back here, and having a draft bill? It is exactly the same bill. If we are going to go over it section by section, there is going to be some argument right through one bill the same as with the other. The only difference is that you have got "draft" printed on the cover of one bill, and the other is the bill itself. Frankly, I do not see that you are going to save any time at all.

The CHAIRMAN: You do not think there is anything to be gained by getting them through the House, and perhaps getting through first and second reading?

Mr. BROOKS: The only thing you will gain is that you will have a big debate in the House, and you will come here and have another debate. I think you will save time by the other method.

The CHAIRMAN: I merely brought this up to get the opinion of the committee. If they want these bills brought back before going into the House, I will report that to the government. But I had hoped that we could make some progress with these bills. Of course, I will have to report on this bill, that if in any way the procedure is departed from there will be comment on it and debate on it. The result is that these bills will just have to wait. I take it that is the will of at least a substantial part of the committee, so there is no use saying anything further. I will report that to the government and the bills that were ready for introduction to the House will just have to wait.

Mr. FULTON: Mr. Chairman, why do you say that? Are the bills not going to be presented to the committee for consideration by a subcommittee?

Mr. CROLL: Not until the people in the services are dealt with.

The CHAIRMAN: I have already said that the services are going to be dealt with first. I take it that is the will of the committee.

Mr. GREEN: Well, are you going to let us have a copy of this draft bill right away?

The CHAIRMAN: Surely. There is no objection to that.

Mr. GREEN: The suggestion is made that the draft bill should then be referred to a subcommittee of this committee. Are you ruling that out?

The CHAIRMAN: No. The committee can refer it, if they wish to do so. There is no objection to that. I just threw out a suggestion which I thought would save time.

Mr. LENNARD: I suggest that any thought of referring it to a subcommittee be withheld until we do see it.

Mr. QUELCH: Mr. Chairman, I cannot see that we are gaining anything by holding these bills up. We have discussed this matter in the committee. After some lengthy discussion we arrived at some conclusion. We moved a resolution to that effect. The government apparently have not seen fit to accept that recommendation. They are bringing a bill down that only covers it in half. So long as the government make it clear when they introduce this bill in the House that it does not meet the recommendation of the committee, I do not see why we need object. If it is referred back to the committee now, we might refuse to pass the bill, with the result that we would be holding up the benefits to the supervisors, and the onus would then be on this committee for holding up those benefits. I would sooner see the onus placed upon the House rather than upon this committee. I would say that we should let it go before the House with the understanding that it does not meet the approval of this committee in full. Then upon the second reading it could be referred to the committee. Then we will again be faced with the responsibility of deciding whether or not we will turn the bill down. If we do, of course we have got to accept a certain amount of the onus for the fact that we are holding up the benefits to the supervisors. We might feel they were not covering the needs of the

fire fighters, but as long as the government is not prepared to accept the responsibility of placing it before the House without the approval of this committee then I think it is the government that has got to suffer rather than the committee.

The CHAIRMAN: Mr. Quelch has stated the situation, and I thank him very much for his outline of the matter. The government is prepared to take the responsibility in this case of not following the recommendation of the committee. That will be stated in the House, and it will be referred back to this committee. At that time if the committee do not want to pass it they do not have to. I am authorized to say that if the committee wishes it to be referred again when it goes through second reading in the House it will be referred to this committee. I have thought about this a great deal, gentlemen, and I should like to see as much headway made as possible. That is why I brought it up in all good faith, and I tried to lay the exact situation before you. If Mr. Quelch's suggestion represents the thought of a good number of the committee I should like to see us be put in that position.

Mr. CRICKSHANK: I withdraw my opposition. I think Mr. Quelch has explained it very well. If it comes back to us and we do not accept it then we accept the responsibility and we will be preventing these men from getting any benefits. I think Mr. Quelch is quite right.

The CHAIRMAN: Is that satisfactory?

Mr. GREEN: Not wholly.

Mr. CROLL: With reservations.

The CHAIRMAN: I thank the committee very much for that. I will report that the committee are in large measure favorable with some dissent. Now, were you prepared, Brigadier Melville, to make a further statement, or are we to have Mr. Conn?

Brigadier MELVILLE: I will make one brief statement.

The CHAIRMAN: Brigadier Melville will make a brief statement. Then the vice chairman of the Commission will make a statement, and then we will hear a few words from Colonel Tosland.

Brigadier MELVILLE: Mr. Chairman and gentlemen: Considerable discussion has taken place in this committee with regard to section 11(1-c) of the Act which is the entitlement section dealing with pre-enlistment conditions, and particularly regarding the application of the term "wilfully concealed". In order to assist your committee Commissioner Conn, who is assistant to the chairman, and is the senior Commissioner of the Canadian Pension Commission, is here and will explain the application of the term. He will also cite a number of cases in which you will be shown exactly how it is applied. That is all I have to say.

#### **H. A. L. Conn, Commissioner, Canadian Pension Commission, called:**

The WITNESS: Mr. Chairman and gentlemen: At your request, and at the request of the Chairman of the Canadian Pension Commission, I have prepared a statement. I should like to mention that it is one of the most difficult tasks that I have been called upon to do. The general policy of the Canadian Pension Commission is not to put down, unless specifically asked, a rigid or hard and fast interpretation of any section of the Pension Act. There is a very good reason behind that general policy, and that is that once you get down in writing an interpretation of any particular section you are

going to be faced with that interpretation wherever you may go, and law—and particularly pension law—is never static. The reason for that is that the interpretation of any section of this Pension Act is the exclusive jurisdiction of the Canadian Pension Commission, and the Canadian Pension Commission is defined in the Pension Act and, as a matter of fact, it is a group of individuals. The ideas of those individuals change from time to time. I could illustrate that possibly by section 11(2) of the Pension Act which is the section dealing with service wholly restricted to Canada only where a pension is paid where disability arose out of or was directly connected with military service.

That section came into effect and was incorporated in the Act in May, 1940. That is really a definition of a former principle which had been in the Act, and it was understood that in order to come within the scope of the principle "arose out of and directly connected with military service," it almost had to be connected with an order that had been given. The disability has to arise out of something directly connected with a military order. The commission as this war developed and the forces came to be mobilized realized that that interpretation was too restricted to cope with the situation that was developing in the present war. Step by step the Commission's idea changed although the wording never changed, but our interpretation of that section changed.

Originally it was practically impossible to secure a pension in respect of a disease. Disease was looked upon as an ordinary civilian risk and not directly connected with military service. The first step in that direction took place in September, 1943, I think it was, when we realized that the enormous camps all over the country, with 90 per cent of a soldier's time being spent in the company of other soldiers, had to be considered. For instance, if he contacted pulmonary tuberculosis, which is a highly infectious disease, we came to the conclusion that was directly connected with military service. We immediately followed that by admitting other infectious diseases under that principle.

I mention that to show you that although the wording in the Act may be the same our ideas change from time to time, and they are never a step in retrogression. It seems to be more or less a gradual broadening all the time, doing something more for the soldier.

When I was called upon to say what the Commission meant by this term "wilfully concealed" I felt very much as though I were handed a complicated tool. You know how to use that tool but if you are asked to define it you may find yourself in some difficulty. I have a working knowledge of these principles of wilful concealment and how it applies, but I did not put it down in precise terms. I have done the best I could, but I realize that this is by no means the last word on the subject. With those observations, I should like to read this statement. This memorandum is addressed to the Chairman of the Canadian Pension Commission.

You have asked me to set out in a clear-cut statement the Commission's interpretation of the term "wilfully concealed" referred to in section 11-1-(c) of the Pension Act. Every award of entitlement to pension must be made under section 11 of the Pension Act. The meaning of section 11-1-(c) is far from clear. I put that in with respect to observations made at one of the sessions of this committee by Mr. Green.

This subsection evidenced an attempt to make special provision in regard to members of the forces who have seen service in a theatre of actual war. I may say this is the one section which differentiates in favour of the men who did the fighting.

In the case of one who has served in a theatre of actual war, whose injury or disease, in existence on enlistment has been aggravated, compensation shall be paid to the full extent of the disability from time to time, no deduction being



made in respect to the condition existing at the time of enlistment, unless the disability was wilfully concealed, was obvious, or was recorded on medical examination prior to enlistment. If he served in a theatre of actual war as defined by the Pension Act irrespective of what his condition was prior to enlistment he gets the whole thing subject to these three limitations.

The Commission's interpretation of this subsection permits, in the case of service in a theatre of actual war, full pension for disability, existing from time to time, subject only to deduction to the extent that the disability was present, and, among other qualifications, was wilfully concealed at the time of enlistment.

It might be observed that the term "wilfully concealed" appears in the Pension Act of 1919 and has been retained in that Act to the present day.

Might I state at the outset that "wilfully concealed" is not defined by the Pension Act but as it has been present in the Act all these years its application is fairly generally understood.

It does not mean fraud nor fraudulent, which terms imply criminal deception or trick to benefit financially or otherwise the deceiver.

The Commission interprets "wilfully concealed" to mean the denial at the time of attestation of the presence or prior existence of symptoms or conditions known to the person making such denials to be false, and which has resulted in the acceptance of such person for service when, in the opinion of the Commission, disclosure of the presence or prior existence of such symptoms or conditions might have led to his rejection or the lowering of his medical category.

There must be definite evidence of wilful concealment of disease before a finding of "wilful concealment" is made against the soldier. Mere neglect to reveal or non-disclosure of, or failure to volunteer information does not, in the opinion of the Commission, constitute wilful concealment. Nor does the fact that he was discharged from the army after a first period of service on account of some disability or disabling condition constitute wilful concealment on his second enlistment, unless at the time of his attestation on second enlistment he denies his previous military service.

While it may be clear that an applicant for pension suffered from a disability or disabling condition prior to his enlistment, where he saw service in a theatre of actual war, he is entitled to be compensated for his entire disability when his condition has been aggravated during service unless his condition was wilfully concealed on enlistment. I am restricting my observations to wilful concealment. The onus is on the Commission to establish that it was "wilfully concealed" and the mere fact that it is conceded the disease pre-existed enlistment, which information was not revealed at the time of enlistment, is not alone sufficient to shift this onus.

The crucial factor in regard to "wilful concealment" is, did the applicant, when questioned on enlistment, deny the existence of symptoms or conditions in order that he might be accepted into the forces?

I notice it has been suggested to the Committee on Veterans Affairs that the term "not disclosed" should replace the words "wilfully concealed" as at present contained in Section 11 (1) (c) of the Pension Act in order to remove any stigma which is attached to the latter expression. If this should be done, in order not to broaden the penalty imposed upon the veteran coming within the scope of this limiting phrase, it would seem essential that the words "not disclosed" should be defined in the Pension Act in such a way as to clothe those words with exactly the same meaning now given to the expression "wilfully concealed". The following definition in my opinion would accomplish this purpose. I have certain reservations about this definition, but it is the best I could do. "Not disclosed" means the denial at the time of attestation of the presence or prior existence of symptoms or conditions known by the person making such denial to be false and which has resulted in the acceptance of such person for service when, in the opinion of the Commission, disclosure of

the presence or prior existence of such symptoms or conditions might have led to his rejection or the lowering of his medical category. Do you wish me to continue now?

The CHAIRMAN: I think that the committee will want to hear further from Mr. Conn and also from Colonel Tosland. We will adjourn until Thursday at 11. Just before we adjourn may I put one matter before the committee? Our steering committee met this morning and recommended that the Ferry Command and the V.A.D. be referred to the existing subcommittee as to their entitlement to other benefits besides pension benefits. I did not put that because I thought there might be other classifications that the committee would want referred to that subcommittee, and with the consent of the subcommittee may we put in that, "and all other groups claiming similar benefits". Is that satisfactory to the subcommittee?

Mr. GREEN: Yes.

Mr. WRIGHT: Yes.

The CHAIRMAN: Is it the pleasure of the committee to adopt that motion that these matters be referred to the subcommittee that already exists?

(Carried).

The committee adjourned at 1.00 o'clock p.m. to meet again on Thursday, May 16, 1946, at 11.00 o'clock a.m.

Doc  
an  
an  
V  
AI  
XC2  
45V21

1946

SESSION 1946  
HOUSE OF COMMONS

UNIVERSITY OF TORONTO

Montreal, P. Q.

(SPECIAL COMMITTEE)

(ON)

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

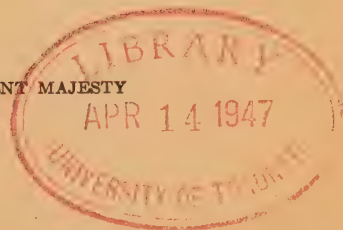
No. 17

THURSDAY, MAY 16, 1946

WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the  
Chairman, Canadian Pension Commission.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946





ORDER OF REFERENCE

HOUSE OF COMMONS,  
TUESDAY, 14th May, 1946.

*Ordered.*—That the subject-matter of Bill No. 54, An Act to amend the Reinstatement in Civil Employment Act, 1942, be referred to the said Committee, with instructions that they consider same and report thereon to the House.

*Attest.*

ARTHUR BEAUCHESNE,  
*Clerk of the House.*

## MINUTES OF PROCEEDINGS

THURSDAY, May 16, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Adamson, Archibald, Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Cockeram, Croll, Dion (*Lake St. John-Roberval*), Dorion, Drope, Emmerson, Gauthier (*Portneuf*), Green, Harris (*Grey-Bruce*), Herridge, Jutras, Langlois, Lennard, MacNaught, McKay, Merritt, Mutch, Pearkes, Quelch, Ross (*Souris*), Skey, Tremblay, Tucker, Viau, Winters, Wright.

*In attendance:* Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister of Veterans Affairs.

The Chairman reported that the Steering Committee had met immediately before this meeting and recommended that subcommittees be appointed,

(a) to study and report on the question of the use of gratuity credits for the purchase of shares in cooperatives;

(b) to study and report on the subject matter of Bill 54; and that the members of these subcommittees be named by the Chairman.

The Chairman announced the membership of the subcommittees appointed viz.:

*Subcommittee on Cooperatives:* Mr. Jutras, (Chairman), and Messrs. Benidickson, Bentley, Dion, Emmerson, Pearkes, Quelch, Ross.

*Subcommittee on Bill 54:* Mr. Harris, (Chairman), and Messrs. Ashby, Gauthier, Gillis, Merritt, Winkler, White, Whitmore.

Mr. Conn was recalled, heard, and questioned.

At 1.00 o'clock p.m. the Committee adjourned until Friday, May 17, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS May 16, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, your steering committee met this morning, and their hope, I may say, is that we will be able to start considering the pension bill not later than tomorrow morning. By that time we will have the proposed amendments which have been drafted by the commission and referred to the Department of Justice, to distribute to the members of the committee. It is proposed this morning to complete hearing from Brigadier Melville, to hear Commissioner Conn, and to finish the discussion on the matter of pre-enlistment disability and the question of wilful concealment, in the hope that we will start the bill tomorrow.

As the committee is aware, we set up last year a committee to study the question of cooperatives and to what extent rights given under the various measures should be available to a man who wished to enter a cooperative. It was the recommendation of the steering committee that a subcommittee to study those questions be set up again this year. Also the committee will recall that the Act providing for re-establishment in civil employment was referred to this committee. The recommendation of the steering committee in that regard is that the question of drafting that bill be referred to a subcommittee. In each case those subcommittees would report back to this committee, and no final recommendation would be made except by this committee.

Mr. CROLL: Will, you announce the committees?

The CHAIRMAN: Well, there would have to be a motion accepting the recommendations of the steering committee.

Mr. CROLL: I will move that.

Mr. BROOKS: I will second that.

The CHAIRMAN: You have heard the motion, gentlemen, that the recommendation of the steering committee be accepted. You would add to that, would you, that the chairman name the personnel of these committees?

Mr. CROLL: Yes, I would.

The CHAIRMAN: Is that satisfactory, Mr. Brooks?

Mr. BROOKS: Yes.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

(Motion agreed to.)

The CHAIRMAN: The names of the members of the subcommittee on co-operatives would be as follows: Mr. Jutras (chairman) and Messrs. Benidickson, Bentley, Dion, Emmerson, Pearkes, Quelch, and Ross. The subcommittee in regard to the drafting of the bill on re-establishment in civil employment would be as follows: Mr. Harris (chairman) and Messrs. Ashby, Gauthier, Gillis, Merritt, Winkler, White and Whitman.

Mr. HARRIS: Before the meeting goes on with its normal business, Mr. Chairman, I wonder if I might ask the indulgence of the committee to say something very briefly in connection with a complaint appearing in the morning

paper, with regard to a case under the Veterans' Land Act? I do that because of the fact that the *Globe and Mail* carries an editorial on it, and I am a little involved in it myself. The point is this. A soldier from my riding served overseas for five years; when he returned and was discharged last October he immediately made application for the purchase of a farm. He was, however, in the unfortunate position of proceeding with a divorce action at the same time, and the veterans' affairs office at Mount Forest would not take any action while that was going on. I might add that I saw them at the time and that was their position. However, he had a chance to buy a good farm and at a pretty fair price, and eventually this spring he did so and has put a crop in. Once again, in the middle of March, I wrote a letter to the office of the Veterans' Land Act at Mount Forest and asked them to expedite this matter or, if they were not going to grant the loan at all, to at least indicate that fact. To date I have not had an answer from that office to my letter of March 22nd. The soldier in question has written a letter to the *Globe and Mail* which appears this morning and there is an editorial based on it. In the editorial I think the position is unfairly taken that the staff of the Veterans' Land Act are seeking to put off these decisions for the purpose of influencing the soldier not to go ahead with any particular purpose. As I understand the procedure, the Veterans' Land Act administration immediately makes an inspection as soon as they get around to it, and they then make a report either adverse or otherwise. There is surely no suggestion that the officers of that department merely postpone an answer for the purpose of hoping that the soldier forgets about it and does not go ahead with it. There may be some good reason why, until this divorce matter is finished, this soldier could not get a final answer. But he has not had any answer of any kind. His divorce was concluded in our courts on February 25; but as you know he will not get a final decree until six months from then, in August or September.

The CHAIRMAN: I did not get that last part. Did you say he got an order nisi?

Mr. HARRIS: Yes, in February.

The CHAIRMAN: But he has not got the final decree?

Mr. HARRIS: No. He does not get that until six months, later in Ontario. I presume he is in this position. He cannot go ahead with what he considers a proper purchase; while I do not know the farm myself, I have made enquiries from agents and I am told it is all right. He is now in the position where he might as well back out or go ahead and make payments on the farm, still with no answer from the Veterans' Land Act administration. I am protesting against that position just as a matter of record. But I want to add this. During the month of March and early April the office of the Veterans' Land Act at Mount Forest had moved to Guelph, some distance away, and I have no doubt that that part at least of the difficulty is due to the transfer of the files and the confusion in the movement. But still I do think that a member of this committee should be able to get an answer to his letter of March 22nd by May 16th; and I do request you, Mr. Chairman, to pass my remarks along to the Veterans' Land Act administration.

Mr. Ross: It is just a matter of administration, and I think maybe I can explain the situation if it is anything comparable to that in respect of some of the boards in western Canada. The fact is this, that while there is nothing in the Act which prevents the settlement of a single man, I think the records will show that they are not settling single men at this time. There is the possibility of this fellow finding himself in that position. I know the administration in my particular area have refused applications from single men, claiming that a married man has priority; and that is what has taken place in that district, although there is nothing in the Act to say that should be done.

The CHAIRMAN: I will be glad to pass along the remarks that Mr. Harris has made. As to this question of divorce, I have already drawn it to the attention of the administration that although an order nisi does not permit a man to remarry, that is the time when the decision is really made whether there is going to be a divorce or not. That is the time when the trial, if any, takes place; and that is really, as far as deciding the rights of the parties is concerned, the time of the final order, except that the man cannot remarry until he gets his final order. I have suggested that when it has gone to the point that a man has got an order nisi from the court, they should then treat the man as if he was then in the position of a single man. I think myself that is a sound position, but I will bring to their attention the remarks of Mr. Harris.

Now, gentlemen, we were hearing from the Vice-Chairman of the Canadian Pension Commission at the last meeting, and he had not finished. So I will call on him now to go on with his presentation.

**Mr. H. A. L. Conn, Vice-Chairman of the Canadian Pension Commission, called.**

The WITNESS: Mr. Chairman and gentlemen, I had concluded at the last meeting the pension commission's understanding of this term "wilfully concealed" and you may recollect that I made certain reservations in respect to the definition of "wilfully concealed". I have been thinking over that definition since that time, and I realize that although technically it is correct, it would probably benefit by some further amplification, and I can do that in a very few words. But it occurred to me that, as you want to proceed with the discussion of this principle, it might be of some advantage to this committee if you knew exactly the type of case that you were dealing with. With that object in mind I prepared a brief review of thirty cases. You understand that when an application comes before the commission, it is considered and ruled upon. The file passes on to pay branch and we are through with it. We keep no record. We are through with it. We expect we will never see that file again unless there is some other complaint or some other application. It goes to the treasury people. The treasury people keep the records. In looking over some of the proceedings of this committee I notice that some of the members, or at least one of the members, has suggested that this term "wilfully concealed" be dropped altogether from the Pension Act. The thought occurred to me that when you are considering that aspect of this problem, it might be of advantage to you, gentlemen, if you knew the type of cases to which this principle is applied. I got in touch with the treasury people. I got the numbers of the cases in which this principle has been used in order to limit the amount of pension that the man with overseas service should receive. I asked him to let me have 100 names and numbers. I handed those 100 names to the office boy and asked him to pick out 30 and draw the files in order that I could get the particulars for you gentlemen. These cases were picked out haphazard in order to try and get some sort of picture of the way the principle is applied. I must confess that I, myself, do not know, because we deal with an application before us in accordance with the circumstances of that particular case. May I proceed, Mr. Chairman?

The CHAIRMAN: Yes.

The WITNESS: I am going to request, Mr. Chairman, that the names and numbers of these soldiers be not entered in the record because you understand this is all confidential. I have them here, but it might be advisable for me not to mention them.

The CHAIRMAN: Yes. That would be better.



The WITNESS: Case No. 1: This gentleman enlisted on 13 May, 1941. When examined for enlistment he was asked by the examining doctor if he had ever suffered from heart disease. His answer to that question was "no". Five weeks after enlisting he was admitted to the military hospital with nausea and vomiting and was discharged four days later much improved. He went to England in January, 1942, and on 13 August, 1943, was admitted to No. 16 Canadian General Hospital complaining of tiredness, dyspnoea, palpitations and substernal pain on exertion. At this time he gave a history that in March, 1938, he had had a severe pain in the left chest and dyspnoea while sitting down; next day he was admitted to Toronto General Hospital and was a patient in that institution for 14 weeks. The medical doctor told him that he had a coronary occlusion. During this period he was off work for 8 months. In September, 1938, he was in Toronto General Hospital 1 month with pneumonia. His disability on discharge was assessed at 20 per cent and the commission ruled: "Coronary sclerosis with myocardial listment, aggravated three-fifths during service in a theatre of actual war. Award effective from date of discharge."

You will observe that gentleman had treatment for this condition in hospital for 14 weeks and was off work for a period of 8 months, and when asked by the examining physician at the time of his enlistment, have you ever suffered from any heart disease, his reply was no. In consequence the commission ruled that that condition was wilfully concealed.

*By the Chairman:*

Q. He would get an allowance there of three-fifths of the disability?—A. Three-fifths of the disability as determined by the medical examination from time to time.

*By Mr. Brooks:*

Q. Was there not a possibility of the man having a pre-enlistment condition and of its being cured?—A. Oh, definitely. There is no question about that.

Q. There might be disability in that particular case, even although the man had wilfully concealed it, and that he was cured before he went into the army?—A. Quite, yes, that is admitted. It is shown here in this case that I have just cited, that ruling was given on the initial decision and is based entirely on his medical documents, or his army medical documents, I should say. Now he is notified of that decision and he is also notified that if he is not satisfied with that decision, he may renew his application to the commission, not in 90 days as in the first great war, but at any time. We will no doubt hear from him in due course. He is probably busy now. He may be engaged, may be taking up a farm under the Veteran's Land Act, and he has not time; but he can come back to us at any time, and he may say, "I will admit that this condition was pre-enlistment in origin; but I deny, I vigorously deny that it was wilfully concealed. I was not suffering from this heart condition. It is true I was in the Toronto General Hospital for 14 weeks and it is true I was off work for 8 months." Or he might deny both those things in which case the onus would be on the commission to prove it.

*By Mr. Green:*

Q. What record have you got of what he said when he enlisted?—A. Oh, we have that. Probably I should have dealt with that before I started on these cases. For this reason I am going to ask the indulgence of this committee to have a few more words on the interpretation that I gave you at the last meeting. I have gone over the enlistment forms of the three services and those forms are not all alike; I will have to say a few words to explain the reason why these questions were put on those forms and also the reason why there is the

difference between the three services. That is the reason I should like an opportunity of amending that definition I gave you the other day. But I think probably before you get down to that, if I could give you the type of cases—

Q. I should like to know in that case what record you have got of what he said.—A. The record will be this. We tell that from where he served. He served in the army. Here is the army form.

Q. Have you got the form that he took?—A. Yes, signed by himself; definitely, yes. "Have you ever suffered from any of the following diseases: Heart disease? Answer: No." Specifically he answered "No" to that question on heart disease. That is the form.

*By Mr. Brooks:*

Q. He signed that himself?—A. He signed that himself, yes. I just brought this up for reference.

*By Mr. Green:*

Q. Those are filled in by the doctor?—A. Those forms are filled in by the doctors, but the information is obtained from the applicant. This is the attestation form; and as you will understand when I come to this question, we must in the commission have uniformity of decision. We must have not only uniformity of decision geographically, and by that I mean that if we say that a certain condition, in regard to a man resident in Vancouver, is wilfully concealed, when we come to deal with a man resident in Halifax we must apply the same rule. In regard to the army, the army candidate is asked certain specific questions in regard to diseases: "Have you ever suffered from rheumatism, tuberculosis, bronchitis, asthma," etc., etc., or "heart disease". But in the navy—

*By the Chairman:*

Q. In regard to that, Commissioner Conn, I must admit that I was under the impression that the doctor filled that in and that is all there was to it. But I see the recruit must sign it himself after it is filled in.—A. Yes, he has got to sign it.

*By Mr. Brooks:*

Q. I think there is a wrong impression given to the committee. The impression given to the committee was that the witness has a particular attestation form here that the recruit has signed and in which he has said no.—A. Oh, definitely, yes.

Q. I know, but you have not it here?—A. Oh, no; I did not bring all the documents. I could have brought every one of these files if it is considered necessary. But that was not the idea. I am trying to give you a short synopsis. I had drawn every one of these files and prepared a synopsis. I have condensed 30 cases into a few pages. You can have the files if you want them.

Q. I am not doubting your word. The only thing is if it was recorded on medical examination.—A. We use that term if we can.

Q. Or wilfully concealed.—A. We always use "recorded" in the event that the evidence is available. We never use this term "wilfully concealed" if we can possibly avoid it. But these are cases in which the commission considers that they were definitely wilfully concealed. As you know, we are dealing with these cases in such large volume, but the evidence available is there was wilfull concealment. We have not got definite evidence that it was

recorded, although if we had time to go into these cases I have no doubt we would be able to obtain that evidence with very little difficulty. I am not trying to prove anything in these cases here. Here is a copy of this.

Q. I do not question your word at all.—A. No. They are all in our files.

*By the Chairman:*

Q. Following along what I was asking you, there is provision there for the recruit signing that?—A. Provision is here for the recruit to sign.

Q. But if he comes along and satisfies the appeal commission or the appeal board that he, for some reason, did not know that that was in there when he signed it, then of course you would have no hesitation in saying there was not wilful concealment. Is that not right?—A. Well, I am not going to go quite that far because, as I am going to show you later on, although that is the general principle, there are cases in which there has not been any specific denial. There is a general denial.

Q. Yes. But would not you hear evidence? Would you hear evidence from him on that point?—A. Oh, yes. We do it every day and reverse, every day former decisions of the commission. We are glad to reverse our own decisions when we can get that extra bit of evidence that is necessary. When the appeal boards go out they hear the case and then without the slightest bit of hesitation they may reverse the decision. Why? Because this soldier has convinced the appeal board that although he had a heart disease prior to enlistment, although he had denied it at the time of enlistment, he felt that he was in pretty good shape and was not suffering from any disability on account of the condition at enlistment. That happens every day.

*By Mr. McKay:*

Q. Was it not the custom that when an examination occurred for the armed services, the questions were just asked orally, such as the question referred to a moment ago as to whether or not he was suffering from heart disease?—A. I will read the form. I am not an authority on what was done at the time this man was actually examined. I deal in documents, and the document says: "Information obtained from the applicant." I presume that must be by questioning. "Have you ever suffered from any of the following defects in health: rheumatism, tuberculosis, bronchitis, asthma, heart disease"; and he says no in each of these individual cases.

Mr. GREEN: Will you read the whole of it?

The WITNESS: I shall have to read the whole of it.

The CHAIRMAN: It would be good to have them all on the record.

*By Mr. Brooks:*

Q. Is that the attestation form that the man used in 1941?—A. I could not be sure.

Q. I do not think it is.—A. I do not mean that this proves anything. The reason I brought this up was to show the difference today between the three services; they are not uniform.

*By Mr. Green:*

Q. Mr. Conn, you based your whole interpretation of "wilfully concealed" the other day on a denial by the man to having a certain condition?—A. Quite. Now, Mr. Green, I told you at that time that the more I thought about that definition the more I realized that it would require further changes. To put that definition in the Act as it is now and make it conform to our present practice would really require a further interpretation of the interpretation.



Q. And under your interpretation of wilfully concealed, if a man denied having had one of these conditions, whereas in fact he had had one of those conditions before enlistment, then it could be held that he had wilfully concealed that?—A. Quite correct.

Q. That is very broad.—A. Now, if you will permit me, may I say that this is the first time I have ever defined wilfully concealed. I think I suggested that I had a fair working knowledge of it. On further consideration the definition would be clear if you added to that definition the words "denial in either specific or general terms." Now, you ask why—

Q. That makes it worse.—A. Yes. You ask why do you want to put that in the definition? In looking over these attestation forms I find that whereas in the army they are asked certain specific questions in regard to specific diseases, incidentally there is nothing mentioned in this questionnaire in regard to accidents, and a man could have had in 1938 a very serious accident in a train wreck, have suffered very serious internal injuries which were not apparent, and he could have passed the doctor and then the disability shows up in due course. Now, that is the army.

The CHAIRMAN: We will put that in the record just as it is. Will you give that to the reporter?

Mr. GREEN: Could Mr. Conn read off that list of things that a recruit might be ruled out on?

The CHAIRMAN: We should have it all go on the record. In regard to the air force you will find the information in the evidence on page 302, but I think it would be a good thing to have this on the record altogether to show just how that has to do with the medical examination.

The WITNESS: That is going to be quite a job.

Mr. GREEN: I want it on the record.

The CHAIRMAN: The information with regard to the medical examination.

The WITNESS: It is all listed there:—

Have you now or did you ever have any of the following diseases?

(a) Eye trouble; (b) Nose, throat, sinus or ear trouble; (c) Any broken bones or other injuries, Head injuries; (d) Spinal trouble; (e) Foot trouble; (f) Operations; (g) Ruptures; (h) Kidney or bladder trouble; (i) Gonorrhoea; (j) Varicose veins; (k) Haemorrhoids; (l) Rheumatism or joint trouble; (m) Tuberculosis; (n) Bronchitis or other lung trouble; (o) Asthma or hay fever; (p) Heart disease; (q) Rheumatic fever; (r) Kidney disease; (s) Stomach, bowel or rectal trouble; (t) Diabetes; (u) Goitre; (v) Syphilis; (w) Fits or fainting; (x) Nervous disorders; (y) Have you been in the active army in this war? (z) Are you now or have you in the past received disability pension or compensation?

Signature of Recruit.

Mr. BENTLEY: I submit that we would have had a very small army if we had every one of these signed "yes'."

Mr. BROOKS: That is not the attestation paper that 50 per cent of the army signed. I think we should have the date of that.

The WITNESS: Quite. These were the questions, and we have the attestation form before us when we rule on the condition.

The CHAIRMAN: What is the date of that?

Brigadier MELVILLE: This reprint is dated April 1943. The remarks which have been made are quite correct; this is not the attestation form that was in use in 1940, in any event, to my own personal knowledge, and in dealing with indi-

viduals the commission receives from the director of records of the service concerned the actual documentation completed on enlistment, the actual enlistment form that was signed, and that is the document we deal with.

Mr. GREEN: Can you get the form, Brigadier?

Brigadier MELVILLE: Yes.

The WITNESS: I do not bring this up to prove anything except the point that the questions asked in the three services vary, and we must have a uniform rule applied to these services, because we are not going to say in regard to a certain individual who served in the army that his condition was wilfully concealed and when we go to the naval service find that a man was not asked such a question, and if that definition were strictly interpreted possibly we might have to rule it was not wilfully concealed.

Mr. ADAMSON: Having watched many men attested at No. 2 district depot, I may say that the majority of them signed "no" to the list of diseases as a matter purely of form; they did not know what all the diseases meant, and I doubt even if the majority of the members of the committee knew what the diseases were, so it could not be construed as a matter of wilful concealment to have signed a document saying that they had not had these diseases.

The CHAIRMAN: That is the whole point. That is why I said many meetings ago that to take the decision when it was the first decision based upon the documents, until there had been a final decision by the appeal board, was unfair, because the first decision is based upon the documentation. When the man comes before the appeal board he can say, "Why the doctor just read that over, I really did not know what was in it, and I signed my name." They have to take into consideration what they know about these things and if they are satisfied that a man is an honest man it seems to me if they are doing their duty, which I say they are, they will say that there is no wilful concealment at all and they will overrule the decision which was based upon the documents.

The WITNESS: That is quite correct.

*By Mr. Green:*

Q. Give us the navy and air force questions.—A. Yes. The navy has not got the same form. The navy, of all services, is probably more loath to depart from tradition than the other two services, and they have not adopted these questions. These questions I have read to you, or somewhat similar ones, were put on the attestation form for this war for a very definite purpose. You people are all old soldiers and remember that in the last war a considerable number were accepted into the services; they possibly got to England; they were admitted to hospital; they filled up the hospitals and they had to be shipped back. Now, that is a statement of the facts. They were not asked these questions. So when this war broke out, or at about that time, the Department of National Defence said, "We are not going to go through that again; we are not going to accept men whom we know are not fit for service, so we will put down something specific in order that we can get more information with the object of keeping these men out of the services so they do not fill the hospitals or fill the ships and get to England and then have to come back again." That is the purpose behind asking a man, "Have you ever suffered from epilepsy or fits?" Why? Because the examining physician cannot tell—I am not a doctor and I do not know very much about medicine—but I know they cannot tell when a man comes before them—he may have suffered from fits for years—but you cannot tell by examination. You have to depend upon the honesty and frankness of the person. The navy does not want a man who has suffered from epilepsy so they ask the question, "Have you suffered from epilepsy or from fits?" Why, So they won't get into the navy.

Q. Is that in the army questions?—A. That is in the army questions, and it is one of the very few questions that is also in the navy.

Q. Where is it in the army questions?—A. "Have you suffered from fits or fainting?" That is one of them. Now, in the navy—and this is a relic, as I understand it, from the days of old sailing ships, and this question has not changed since then—the navy at the time of this war was of the opinion that many men who would be rejected by the other services would be useful in the navy. An example might be a man suffering from flat feet. He would be of no use in the army but the navy could make good use of him. But in the old days with the sailing vessels a man who could not hold his urine was a nuisance because he would have to be up in the lookout and if he could not hold his urine or if he was subject to fainting spells he would be of little use. So the certificate says: "I hereby certify to the best of my belief I have never suffered from fits . . ." and then it says, "Incontinence of urine, discharge from ears, or any other disease likely to render me unfit for His Majesty's service," that is the provision that we use in regard to the navy. That is the general clause, and to cover that general clause I am going later to ask your indulgence to allow me to amend the rather half-baked definition I gave you the other day.

Q. What about the air force?

The CHAIRMAN: Is that all there is in the navy?

The WITNESS: That is all there is.

The CHAIRMAN: And the man signs that, does he?

The WITNESS: Yes, he signs that; but the other sections are the observation on examination. We cannot deal with what the doctor finds, we can only deal with what the man says. Now, Mr. Green, if you stick to that denial you can see how embarrassing that is going to be if the denial means a specific denial; and I was going to ask the indulgence of this committee to permit me to correct my interpretation to mean denial in either specific or general terms in order that the navy record should be treated on exactly the same basis as that of the army or air force.

*By Mr. Green:*

Q. In other words, you could rule out the navy man on this general denial?—A. Yes, we rule him out on that definitely if we are of that opinion.

Mr. MUTCH: You only rule him out if the committee were of the opinion that the denial constituted a malicious—

Mr. GREEN: You have just been told how they are interpreting it.

The WITNESS: Perhaps I had better continue with the examples of this principle. The air force is practically on all fours with the army except it is a little better for our purposes, because the army does not make any reference to the accident I was talking about where a man is smashed up internally in a wreck.

Mr. BROOKS: The army asks him if he has had any accidents, does it not?

The WITNESS: Yes, this does, but I do not think the old form does. I never saw that form before, and I am amazed at the form; it is a lot better than the form we were using in the earlier days. In the air force they have these same general questions, and they have another paragraph: "Have you ever suffered from other diseases or defects in regard to —?"

Mr. GREEN: Would you consider that you could rule a man out if he answered "no" to that last general question?

The WITNESS: We will not rule anybody out unless we feel that this man has deliberately and intentionally got into the forces when he knew he was not going to be of any use, when he knew he was going to be sent over to



England or wherever he was assigned, and would not be of any benefit to the forces. Now, I will admit that it is possible that all evidence does not always come out at the initial hearing because we only have the documentation, but if a man is not satisfied with that ruling, not entirely satisfied with it, then he can come back to the commission and we will consider and sympathetically consider any representations he may care to make. He is not hurried; he does not have to come back in ninety days; he can come back in nine years if he is still with us, and if he is not satisfied with that he can come back again, and he can come to an appeal board and appear with his family doctor or with his wife or his mother or the rest of his kin and the expenses of those people will be paid.

The CHAIRMAN: And he can have a lawyer if he wants one?

The WITNESS: He can have a lawyer and we will pay the account of the lawyer if it is reasonable.

Mr. GREEN: Oh, I have never known of that.

The WITNESS: Oh, yes; that is right in the Pension Act.

Mr. BROOKS: If the man is unsuccessful you do not pay his lawyer.

The WITNESS: Yes.

The CHAIRMAN: May we now have the air force put on the record and then Mr. Conn can give the examples and we can have questioning at the end?

Mr. HERRIDGE: That is the best way to proceed.

The CHAIRMAN: Will you proceed that way, please?

Mr. CROLL: Yes, let us have some more examples.

The WITNESS: Before I start on these examples may I say that I thought the chairman had filed these forms and that is the reason I did not refer to them previously. To repeat: "I hereby certify that to the best of my belief I have never suffered from fits, incontinence of urine, discharge from the ears, or any other disease likely to render me unfit for His Majesty's service." That is the navy. And for the air force:

Have you ever suffered from any of the following defects in health?

(a) Rheumatism; (b) Tuberculosis; (c) Bronchitis or asthma; (d) Heart disease; (e) Kidney or bladder disease; (f) Gastro-intestinal; (g) Rupture; (h) Varicose veins; (i) Flat or deformed feet; (j) Nasal trouble; (k) Ear disease; (l) Eye disease; (m) Epilepsy; (n) Nervous or mental disease; (o) Syphilis; (p) Gonorrhoea; (q) Bone fracture; (r) Other disease or defect.

Signature of Applicant.

The CHAIRMAN: Will you proceed now with the examples?

The WITNESS: It might be of interest to the committee to know that from the 1st of September, 1939, to the 1st of February, 1946, the commission on initial decision has ruled on 209,679 diseases. Now, please do not confuse that with applications for pension. A man may apply for one condition or he may apply for one dozen conditions. The total number of conditions that have been ruled upon is 209,679. I bring in the conditions because it is possible that the commission might hold that every one of five conditions in regard to which a man had made application for pension were wilfully concealed. Out of the 209,679 the commission has ruled that in 2,339 cases the condition was wilfully concealed and aggravated. I do not know anything about the extent of the aggravation.

Mr. GREEN: How many were not aggravated?

The WITNESS: I have no idea—yes, I can give you that. There were 64 cases wilfully concealed and not aggravated, and 2,339 wilfully concealed and

partly granted—that is aggravated. Now, in addition to that there were 314 cases in which the commission ruled—I am anxious to have the entire picture because the committee—314 cases in which the commission used the term “concealed” without using the term “wilfully”.

Mr. GREEN: What was your authority for that?

The WITNESS: Well, the Act provides for aggravation only in cases which have been wilfully concealed, but the Act does not say we must use in every one of our decisions the term “wilfully” or the actual wording of the Act. We had heard in the early days of this war representations from the Veterans' Bureau that this term “wilfully concealed” was not looked upon with very much favour by some of the applicants and that the applicants were protesting, and the idea was considered that in place of saying in our decision that the condition was wilfully concealed that we use the term “concealed” in order to soften things up for the applicant. Now, we adopted that and I will tell you what happened—and I am glad to see a representative of the Veterans' Bureau present to-day because I am talking right at him—as soon as we ruled that the condition was “concealed” on enlistment and aggravated the next thing we had from some pensioners was an application for leave to reopen the claim on the ground that the commission's ruling was not in accordance with the terms of the Pension Act, and in every one of those cases, leave to reopen was granted. As soon as we saw that happen, we said, “All right, that is the way this thing is developing and we do not blame the Veterans' Bureau for it; the man is entitled to the statutory provisions of the Act, so that we ended that little romance and we granted leave to reopen in any case where that wording had been used”; but we dropped that wording.

Mr. GREEN: Were any of those cases appealed?

The WITNESS: Definitely. As soon as they got the ruling “concealed on enlistment” which was made on request—possibly not on request, but rather protest of the Veterans' Bureau—the applicant immediately comes along and takes advantage of our concern and says that that ruling is not in accordance with the term of the Pension Act and we would like leave to reopen the case; and leave was granted.

Mr. GREEN: Have you any cases where the disability was wilfully concealed—you said 2,339 cases have been ruled wilfully concealed and aggravated on service and 64 had been ruled wilfully concealed and not aggravated—have you any record of what happened on the appeal of those cases?

The WITNESS: No, we have no record at all. This is on initial decision and it would be up to this applicant to come before an appeal board with his documentation and show that his condition was worse on discharge than on enlistment, and that is not apparently very difficult, as the figures will show. That is not an awfully difficult thing to do—to show there was some slight aggravation, because after all this aggravation is not a matter of two and two make four by any means; the figures speak for themselves. The fact that in only 64 cases we ruled no aggravation will pretty well indicate to you what the policy of the commission is in regard to pre-enlistment conditions wilfully concealed.

Mr. MUTCH: Out of 2,300 odd cases, except for 64, some measure of pension was granted; is that what it amounts to?

The WITNESS: In the 2,339 cases pension was granted. I would like to mention this—and it is important—one of you gentlemen here mentioned this fact: you know and I know that there is not a soldier who enlisted who did not conceal something. Now, with that opinion I am in entire agreement when I look over some of our records, but we only employed that term to limit the amount of pension in 2,339 cases out of 209,000 cases.

Mr. GREEN: They were not cases.

The WITNESS: No, disabilities.

Mr. MUTCH: I am not quarrelling with the policy, I am trying to get an answer to a question, and at the moment I am very interested. What I say is this: what you are saying in effect is as a defence of a policy which is not being attacked. You are stating that out of some 2,300 odd cases in only 64 cases did it happen that no pension at all was awarded. In the case of those where the aggravation occurred if they served overseas they would be pensionable to the full extent of the aggravation, in some instances perhaps to the full extent of the disability; but in effect what you are saying is that as a matter of commission policy, whatever is laid down, only 64 had been denied some measure of pension on account of wilful concealment?

The WITNESS: Correct.

Mr. MUTCH: Thank you. That is what I wanted to know.

The WITNESS: That is quite correct; and in addition to that if you had just gone a step further there are probably thousands of cases in which the commission had to give consideration as to whether this disability was wilfully concealed or not; because if we do not mention in our decision that the disability was wilfully concealed no record would be kept of thousands of cases in which there has been some measure of concealment and we have not made a finding to that effect.

Mr. MUTCH: That is to say there were thousands of cases where you had considered whether or not a man answered honestly at the time of that attestation and you had to decide whether or not he answered carelessly with a desire to get into the service, or whether he tried to put something over; and in your opinion in only 64 cases did you think the man tried to get away with something—

Mr. GREEN: No, no, that is not right—plus 314.

The WITNESS: In addition to those figures there were thousands of cases in which we had to give consideration to this point: was this disability wilfully concealed or not? We arrive at the conclusion: no. There was a disability pre-enlistment. The condition aggravated during service; pension was awarded for the entire disability, and we make no reference to wilful concealment; there is no record of the condition in these cases.

Mr. BROOKS: Mr. Mutch's contention is that there were only 64 cases that were not given pension, but the main point is that the chief objection about "wilfully concealed" was on account of the assessment and not on account of the actual turning down of the pension.

Mr. MUTCH: Mr. Brooks, I did not contend anything. I was not well enough informed. I was trying to get information. I am not contending anything.

Mr. BROOKS: No. I was just asking Mr. Conn if the main objection to this "wilfully concealed" is not coming from the amount of assessment that the men are getting.

The WITNESS: Quite. If you want my personal opinion, I do not think it is this. Mind you, I will admit, as the veterans bureau has contended from time to time, that a lot of them do not like this term "wilfully concealed".

*By Mr. Brooks:*

Q. I do not blame them.—A. But I do not believe it is that. Certainly the men I served with in the last war were not that thin-skinned. They were a tougher lot of individuals. Providing they were pensioned for their entire disability, I do not think it mattered whether you called it wilfully concealed or anything else. But they are pensioned on an aggravation basis. They get a pension for the progress of their condition during service.



*By Mr. Archibald:*

Q. I should like to ask the commissioner whether they take this matter into consideration. Suppose a man wanted to volunteer, and there were the three services. You are desperate to get into either the army or navy. Suppose you told them that you had a certain disability, and that when you told them that they turned them down. You never knew when the army was going to put the finger on you. They never told you when they were going to call up any of the lower categories. Therefore the method of enlistment was such that you were a fool if you did not conceal your physical condition.—A. Oh, I am not going into that aspect of it at all. That is what I think. The same thing was said by one of the committee, that everybody concealed something. I think they did. But they were good soldiers and they got along all right. But these are disabilities that more or less prevented the man from being a good soldier.

Now, Mr. Chairman, may I proceed with these cases?

The CHAIRMAN: Yes.

The WITNESS: We are through with No. 1. With regard to No. 2, this man enlisted in October, 1940 and was discharged in June, 1943 after serving in Canada and on the high seas. This will bring in the navy. On enlistment he gave his occupation as a shoemaker. When medically examined for enlistment he denied the presence of previous disease. It is just a general denial.

*By Mr. Green:*

Q. A general denial?—A. A general denial, yes. He was admitted to Camp Hill Hospital on 27 September, 1941, with a diagnosis of mitral stenosis and regurgitation.

Q. What is that?—A. That is a heart condition of long standing. Mitral stenosis takes years to show up. He gave a history of rheumatism in 1939 prior to joining the navy, was in bed six months. He also stated that he had tried to join the army in 1940 but was turned down. The commission ruled: "Chronic rheumatic endocarditis—pre-enlistment condition, wilfully concealed, aggravated two-fifths during service in a theatre of actual war. Award effective from date of discharge."

I now come to No. 3. This officer enlisted in January, 1941, and was discharged in January, 1945, after serving in Canada and the United Kingdom. At the time of his medical examination for enlistment he denied that he had ever suffered from any respiratory trouble. In March, 1944 he was admitted to hospital complaining of chest wheeziness. At this time he gave a history of having suffered from asthma all his life. A diagnosis of chronic asthma and hay fever was made. The commission ruled: "Asthma—pre-enlistment condition, wilfully concealed, aggravated two-fifths in a theatre of actual war. Award effective from date of discharge."

Case No. 4: this man enlisted in September, 1939 and was discharged in October, 1941, after serving in Canada and the United Kingdom. On enlistment he was asked the question by the examining physician "have you ever suffered from any ear disease?" His answer to that question was "no". Shortly after his arrival in England he was under treatment for left otitis media with discharge. He gave a history to the specialist that he had discharge from the left ear all his life. That in childhood he had had an otitis media. His assessment for this condition at discharge was less than 5 per cent. The commission was of the opinion that possibly there was some slight progression during service and ruled: "Chronic suppurative otitis media—pre-enlistment condition, wilfully concealed on enlistment, aggravated one-fifth during service in a theatre of actual war. Award effective from date of discharge."

I never saw that case before, but whoever conceded that one-fifth aggravation certainly had his tongue in his cheek, with a disability at discharge of less

than 5 per cent and a history that this man had suffered from that condition since childhood. We concede aggravation in every case that there is the slightest indication that there was any worsening, due principally, not to the pension angle but to the other privileges that it affords him.

*By the Chairman:*

Q. Largely the question of treatment?—A. Yes, in particular the question of treatment. There is also the veterans' allowance and other benefits.

Case No. 5: this man enlisted in September, 1939, and was discharged in August, 1941, after serving in Canada and England. In March, 1940, he was admitted to hospital complaining of abdominal pains, stated that during the past ten years he had periodic attacks of epigastric discomfort, gas and burning coming on about three hours after meals; relieved by food and soda, often occurring at night, at times accompanied by vomiting. States his stomach bothered him in 1936, when he had an attack lasting about three weeks with vomiting and gastric discomfort and some pain, heartburn and acid stomach. Was X-rayed at that time by Dr. Scott of Saskatchewan, who made a diagnosis of gastritis. On enlistment he had denied suffering from gastro-intestinal disease. On discharge his assessment for his stomach condition was assessed at less than 5 per cent. The commission ruled: "Duodenal ulcer—pre-enlistment condition, wilfully concealed on enlistment, aggravated one-fifth during service in a theatre of actual war. Award effective from date of discharge." There is one-fifth aggravation. I would again call that to your attention.

*By Mr. Green:*

Q. That was ruled to be duodenal ulcer, was it?—A. Yes, duodenal ulcer.

Q. Although the question he answered was as to gastro-intestinal trouble?—A. Gastro-intestinal disease, I think is the term used.

Case No. 6: this man enlisted in June, 1941 and was discharged in September, 1944, after serving in Canada and overseas. When medically examined for enlistment he denied that he had ever suffered from epilepsy. He was treated in hospital in November, 1943, for a condition diagnosed as epilepsy. At that time he gave a history of having had his first attack of epilepsy in November, 1940, when he was working on a farm. The commission was of the opinion that possibly the condition had been slightly aggravated during service and ruled: "Epilepsy—pre-enlistment condition, wilfully concealed on enlistment, aggravated one-fifth during service in a theatre of actual war. Award effective from date of discharge."

Case No. 7: this man enlisted in April, 1941, and was discharged in September, 1944, after serving in Canada and the United Kingdom. On enlistment he was asked if he had ever suffered from bronchitis or asthma and his answer to that question was "no". He was admitted to hospital in October, 1943, with a diagnosis of asthma and at that time he stated that he had asthma until he was 16 years of age. His disability on account of this condition at the time of discharge was assessed at 15 per cent and the commission ruled: "Bronchial asthma—pre-enlistment condition, wilfully concealed on enlistment, aggravated two-fifths during service in a theatre of actual war."

Q. How old was he when he enlisted?—A. I have not got the particulars, but I remember that; I think he was about 25 or around there. I say that without prejudice, because that is from memory. I looked that point up because I was wondering if he was getting on in years, but it was only a matter of a very few years. He might have been 20.

Case No. 8: this gentleman enlisted in September, 1939, and was discharged in August, 1945, after serving in Canada and overseas. During service he was treated for a condition diagnosed as traumatic stricture of the urethra. He gave a history that he had received a kick in the groin in 1929 and was in hospital for four weeks. On enlistment he had denied ever suffering from any kidney or

bladder disease. His disability on discharge was negligible. The commission thought there might possibly—and I stress that word “possibly”—be a slight aggravation during service, and in this case it is one-fifth. We are also depending on the benefit of the doubt, because we do not want to put ourselves in the position of stretching things too far.

The commission thought there might possibly be a slight aggravation during service and ruled that this condition was a pre-enlistment condition, wilfully concealed on enlistment, aggravated one-fifth during service in a theatre of actual war. Award effective from day of discharge.

Q. That man was six years in the service?—A. That is correct; 1939 to 1945.

*By Mr. Blair:*

Q. What was the disability in this case? I did not catch that. —A. The disability was described as—

The CHAIRMAN: Traumatic stricture of the urethra.

The WITNESS: That is correct.

Mr. BLAIR: The man was quite right. That was not a kidney or bladder disease. He has got a point of law there.

Mr. GREEN: What is the question?

Mr. BLAIR: That is not a kidney or bladder disease.

The WITNESS: I do not even know whether he was in the air force or in the army.

Brigadier MELVILLE: That is the army.

The CHAIRMAN: So he was asked what?

Mr. GREEN: What is the question that ruled him out?

The WITNESS: I would not have that.

The CHAIRMAN: Did he suffer from kidney or bladder disease? The same thought occurred to me as occurred to Dr. Blair. If you have a traumatic stricture of the urethra, that certainly is not any kidney or bladder disease, I would think. But of course, there seems to be something more in it than these notes would indicate.

The WITNESS: Oh, yes. He was asked the other general questions I brought up. He was also asked that list of questions. In regard to that, the point is this, Dr. Blair. This man's condition was apparently, to the satisfaction of the commission definitely attributable to this injury that he had in 1929. Now, that point arises in discussion of this whole principle, where there is a condition definitely attributable to an injury before the man joined the service and in which the service played no part, definitely, from the point of view of the onset of the disease, whether he should be pensioned on that condition.

Mr. BROOKS: This man was in an actual theatre of war for six years.

*By Mr. Green:*

Q. I should like to ask one question of Commissioner Conn. How do you work that out? Here is a case where in 1929 that man was kicked in the groin. Why do you penalize him in connection with an injury in 1929? How can you figure that?—A. I am not going to figure it out here, because I figure out nothing without having the records before me. But you can be very sure in regard to this particular case, if it is attributed to the injury, that there is evidence on file linking his present condition definitely to that injury.

Q. But even so, that does not make it wilfully concealed.—A. Well, there is another point.

Q. That is the point we are discussing.



*By Mr. Brooks:*

Q. The whole point is that these cases do not mean anything to us unless we have more particulars.—A. Yes. I can see that. I was just trying to give you this for what it was worth.

The CHAIRMAN: I would not go that far. I think they are quite useful. We cannot come to an exhaustive conclusion as to whether or not they are right; but I think they are useful as showing how they apply this rule.

The WITNESS: That is all.

Mr. BROOKS: In this case we have the case of a man who was injured in 1929 from a kick in the groin. He was in hospital for a month. He joined up in the forces in 1939 or 1940. He was in the army for six years. He was discharged evidently with some disability. We do not know whether he served in an actual theatre of war. If he did—

The WITNESS: Yes, he must have.

Mr. BROOKS: If he did, I would say that the facts would indicate that the man must have had some other disability besides this kick in the groin in 1929 or he could not have carried on for that length of time.

The CHAIRMAN: But look at this situation, Mr. Brooks. It says "very slight disability on discharge". It is very slight. It says his disability on discharge was negligible. If the commission had to give him full entitlement, which would cost the country a great deal of money, and they were satisfied that this slight disability was due to an accident which he had before he enlisted, I think that you will find that the average commissioner would say, "Well, we are satisfied in our own minds that this arose out of a previous disability, but we will go as far as to say there is some aggravation on service and give him all the rights to treatment and everything else." But if you require them to swallow the whole thing and say that he gets full pension for something that they regard, as they obviously did here, as largely due to something that happened before he went into the service, and you put that into the Act, you are, in my opinion, going to deprive thousands of people of the benefit of getting a small pension. They also get preference in going into the civil service. They get treatment preference. You are going to deprive thousands of people of that. It is just another case where, if you try to go too far, you are going to injure a lot of people.

Mr. GREEN: Mr. Chairman, your whole argument is based on a false premise. That man would not get a full pension at all. At the very most he could only get a pension for his full disability.

The CHAIRMAN: Yes, that is what I say.

Mr. GREEN: Which is very slight; so that he would only get perhaps 10 per cent pension. Do not run away with the idea that he would have got 100 per cent pension, because that is not the law under the Act.

The CHAIRMAN: No. I am dealing with cases where they are willing to find as I stated. In many cases there is great disability, and it is very difficult to find aggravation but they say, "Well, we will say there is one-fifth aggravation." We have heard a lot of complaints about these one-fifth aggravation cases. On the other hand, they have been a good thing, because one-fifth aggravation indicates that it is very hard to find any aggravation at all. They have given the man the benefit of the doubt, which lets him into getting all the advantage there is in getting a pension. But if this idea of permitting one-fifth aggravation was wiped out, you can see the result.

Mr. GREEN: Nobody is asking you to wipe out the one-fifth aggravation. Do not get that idea.

The CHAIRMAN: There was adverse comment on the one-fifth aggravation.

Mr. GREEN: The point in this case is how on earth could the commission rule that was wilfully concealed? That is the point we want to know about.

The CHAIRMAN: They must have had evidence.

Mr. GREEN: How did they do it, in this case of a kick in the groin ten years earlier? What did the man say that amounted to wilful concealment?

The CHAIRMAN: On what is in here, I am ready to admit that I do not think there is any basis for wilful concealment.

Mr. GREEN: Mr. Conn made a very significant statement in connection with that case, because he went further and said this disability was attributable to that kick in the groin, and why should the man get a pension?

The WITNESS: Oh, definitely, yes.

Mr. GREEN: That shows the attitude of the commission. It is quite apart from "wilfully concealed"; he is not considering that at all. He is giving his decision under the wilfully concealed section where, in fact, it is a question of attributability. That shows you the attitude in dealing with some of these cases. I have got one almost exactly like that, where the commission did rule "wilfully concealed" without any grounds at all.

The CHAIRMAN: But suppose they could not have found it in one instance. Then they would have had to give a pension for the full disability and when they were satisfied in their own minds that it was not due to anything that happened in the service. Then that man would get nothing, and he would get no benefit of pension, no extra rights in the civil service and so on. In other words, by giving him the aggravation and putting it under this heading, they are helping the soldier, not hurting him. That is the point that I think should be made clear.

Mr. GREEN: Mr. Chairman, that is no argument. You cannot draft a proper pension law on that basis.

The CHAIRMAN: But we are having before us the way the pension law is being administered; and we have got to bear in mind that if we make some change that we may say has improved it, we should see that we do not put them in the position where it is going to hurt a lot of people as they administer it. I am very concerned about this because I can see that a person who gets a small pension, no matter how small, has so many rights in regard to treatment that a man who has not a pension does not get, that we should be very careful about how we interfere with that.

Mr. GREEN: It is not up to the pension commission to turn them down or switch awards on the basis you suggest.

Mr. BLAIR: As I asked that question, Mr. Chairman, I want to bring up this point. I think that if I were the man enlisting, I would have answered "no" to that question. Many of these men are asked, have you ever suffered from gastrointestinal disease? The man does not know the meaning of that. I am not going to say at all that the soldier enlisting is ignorant. He may answer to the enlisting officer by saying something like this, "Well, I have had my appendix out. Is that gastrointestinal disease?" He is not sure what the term is. Many people do not classify the disease as epilepsy. They probably call it fits. In those cases, the man is not concealing anything.

The CHAIRMAN: Granting for a moment that their decision is wrong, suppose now you made that argument. If you had been acting for the soldier I venture to say you would not have made that argument, because they probably were quite satisfied, judging by just reading between the lines, that this was a pre-enlistment condition. And if you had insisted on your point, they would have said, "All right; we will rule it pre-enlistment, not aggravated at all." What they have done is that they ruled that it was aggravated. They could not get

around saying it was pre-enlistment, so they ruled it aggravated. If you had asked that they give full pension for this, they would have said, "No, we will not do that. That is going too far. But when we can give him an allowance of one-fifth and give him all the rights of treatment, we will go that far; and the only place we can do it is by bringing it under one of these exceptions."

Mr. GREEN: Mr. Chairman, you are wrong. You are interpreting the Pension Act on the wrong basis. That is not the way this section reads. This section says:—

No deduction shall be made from the degree of actual disability of any member of the forces who has served in a theatre of actual war... on account of any disability or disabling condition which existed in him prior to his period of service...

and so on. In other words, when he is discharged, if he has a disability and has had service in a theatre of war, he is entitled to get a pension for that disability, even although it is a pre-enlistment condition.

The CHAIRMAN: Yes.

Mr. GREEN: Unless one of three factors exists.

The CHAIRMAN: Exactly. That is what I am pointing out. I am anxious to get that thought across, unless it is brought under the exceptions. If they find that there was a pre-enlistment condition and he served overseas, then of course unless it is one of the three exceptions, there must be a full pension.

Mr. GREEN: No, no, no. Read the section.

The CHAIRMAN: Well, it says if there is aggravation of a pre-enlistment disability there must be full pension.

Mr. QUELCH: To the full degree of disability.

The CHAIRMAN: To the full degree of disability, yes. Of course, obviously you are not going to give him 100 per cent pension for a small disability. The point I am trying to get across is this. If you have to give the full disability for something that was incurred before enlistment altogether, if you put the commission in that position, then they are going to be more careful about making a ruling. Here in this case apparently they were satisfied that there was a pre-enlistment condition. If there were not these exceptions, they would have to give the full award. That is correct, is it not?

Mr. GREEN: Well, Mr. Chairman, that is the law.

The CHAIRMAN: Yes.

Mr. GREEN: It is not any of the business of the pension commission to say, "Because we do not like the law" or "Because we think this man is being treated too generously, we are not going to follow that section. We are going to find that he had wilfully concealed the disability and therefore may only get a portion of his disability." That is what you are trying to say, and you are right off the beam.

The CHAIRMAN: No, I submit not.

Mr. WRIGHT: That is the point I am trying to make. According to the chairman, if you change this Act to make it more favourable to the soldier, the commission are going to go on with the old rules.

Mr. GREEN: They are going to rule against it.

Mr. WRIGHT: Yes. I want to say that I think that is entirely wrong. The commission must be guided by the Act, and not by something they have in their minds.

The CHAIRMAN: Just to complete the argument on that, may I say that these people are administering the Act. It is all very well to say it will not have



any effect on them, but we all know that, for example, when it was the law of England that a man could be hanged for a small offence, the judges found many, many ways of finding that an act was not a felony, and they distorted and twisted their decisions in order to keep from having to do something that they felt in their hearts was not right. If you put them in the position where you have got a pre-existing disability, and they are satisfied of that, the moment they find they have got to give full allowance for that disability, even if the man concealed it, they are going to say, "Well, we are going to make a finding there that it was pre-enlistment" and that will be the end of it.

Mr. WRIGHT: There is no right to do that.

Mr. GREEN: If they are interpreting it in that way, the sooner we get new commissioners, the better.

Mr. BROOKS: I believe Brigadier Melville wants to say something.

Brigadier MELVILLE: Mr. Chairman and gentlemen, I should like to say that the commission does not get mad and never has got mad. The commission consists of ex-servicemen and we are administering the Pension Act to the best interests of the veteran.

Mr. BENTLEY: And you would not get mad, Brigadier Melville?

Brigadier MELVILLE: We do not get mad. I may be a little excited when I hear the term, but I am not mad, because we are all ex-servicemen here. I think that is a very serious charge and one to which, as chairman of the commission, if I may be privileged to do so, I do take exception.

Mr. GREEN: The Chairman brought it up.

The CHAIRMAN: I did not suggest that they were mad.

Mr. GREEN: You said he would think he could not follow the Act.

The CHAIRMAN: Oh, no.

Brigadier MELVILLE: May I deal with this case, as I see it? I have never seen it before. I have never seen this precis. I would say the precis is too brief to continue the argument as we are doing. It records an accident in 1929 of which there apparently is no doubt whatever. When this case was submitted for the consideration of the commissioners I am quite sure there was a precis, and history, with probably a great deal more information than actually is before the committee just now.

The WITNESS: Definitely so.

Brigadier MELVILLE: But what has happened is this. The commission has dealt with the case on the documentary record. The disability was negligible at the time of discharge. They have granted a favourable decision in so far as conceding aggravation is concerned; and as the chairman has pointed out, that immediately conveys the right to treatment for that condition at any time. When the man is undergoing that treatment he is entitled to hospital allowances, the equivalent of a 100 per cent pension. Should his disability increase at any time, he is entitled to the degree of aggravation, one-fifth of the assessment of the degree of disability that exists at the time of that examination. He has a further right, as I have explained on many occasions. He receives this decision, but not only the decision; he receives the reasons leading to that decision. That document is forwarded to the man and he is told as to his rights to proceed further, and the commission gladly will reopen the case. If you will look at the figure I gave to this committee with regard to decisions rendered for those whose service was wholly rendered in Canada, you will find that nearly 25 per cent of favourable decisions were granted by the commission on renewed application.

Mr. GREEN: Yes. But we should like to know why, in that case, it was ruled to have been wilfully concealed.

Brigadier MELVILLE: I consider that your point is well taken, Mr. Green. But I cannot answer without seeing the complete record, and I think it is sketchy, jumping from 1929 when the accident is admitted to have happened, to 1939 when he enlisted and had six years of most excellent service.

Mr. QUELCH: In view of the fact that this case has been brought before the committee, and in view of the fact that the evidence submitted gives the impression that the veteran has been penalized on the ground of pre-enlistment condition wilfully concealed, could you get the rest of the evidence?

Brigadier MELVILLE: Nothing would please me better, Mr. Quelch.

Mr. JUTRAS: Has the veteran been penalized in this case?

The CHAIRMAN: That is the question. If I had been acting for the man, I would not have advised him to appeal.

Mr. GREEN: If it was not wilfully concealed, then he was entitled to full disability. The commission have only granted him one-fifth.

Brigadier MELVILLE: It was recorded—he had an injury in 1929. He had a kick in the groin.

The CHAIRMAN: Four weeks in the hospital.

Brigadier MELVILLE: Yes, four weeks in the hospital.

Mr. GREEN: We were told he was given one-fifth because it was wilfully concealed.

The CHAIRMAN: Yes, but if he appealed it, it will be brought out that he was in hospital. It will probably be ruled pre-enlistment, recorded, and he will get nothing.

Mr. GREEN: No, no.

Mr. JUTRAS: In this particular case it would be interesting to know whether this man was really penalized by this ruling or not. I am not referring to the reading of the Act, but in the application of this particular case would he have been better off had the decision been the other way?

Mr. GREEN: He would have got his full disability.

Mr. JUTRAS: I am speaking of this particular case.

Brigadier MELVILLE: This was a pre-enlistment accident and some injury resulted therefrom. If that is recorded in 1929 and the commission amended their decision from wilfully concealed to recorded, he is still entitled. We would not take his entitlement away with regard to the degree of aggravation.

The CHAIRMAN: But on appeal—

Mr. GREEN: Wait a minute, Mr. Chairman.

The CHAIRMAN: Just a question.

Mr. GREEN: Brigadier Melville has not made that clear.

Brigadier MELVILLE: I am sorry.

The CHAIRMAN: On appeal, the question might be gone into very carefully as to whether there was aggravation or not, and they might rule there was no aggravation, in which event the man would lose the bit of pension he has got, with all those rights. Is not that correct?

Brigadier MELVILLE: That is possible.

The CHAIRMAN: Yes.

Mr. GREEN: Mr. Chairman, if you would be chairman instead of trying to argue the case, we would get along faster. This section does not deal with aggravation at all. It deals with his full disability. It does not say that there has to be shown to be aggravation at all. If a man has been in a theatre of war, and if he has a disability, he is entitled under this section to get the full pension for that disability unless he comes under one of these three classes; and in this case the commission have ruled that his disability was wilfully concealed.

The CHAIRMAN: No.

Mr. GREEN: Therefore they cut him down from his full pension to one-fifth of his pension.

The CHAIRMAN: Surely you will grant my right to take some part in these proceedings. Surely you will. Now, if there is any objection to that I am in the hands of the committee. I do not want to take any part in these proceedings against the will of the committee; but I feel that I have been giving and should give more time to this matter than other members of the committee because of the fact that I am a parliamentary under secretary, and I am trying to help the committee, and I am as interested as anyone else to see that we do not make this Act so that it will be worse for the soldier, but rather better.

Mr. GREEN: You are arguing that an amendment which would help the soldier would really hurt him?

The CHAIRMAN: No. The point I am bringing before the committee is this: if we take out "wilful concealment" and leave it on the basis entirely of these other things, "recorded or obvious", then in a case like this what would happen would be that I am quite satisfied, that the authorities would go into the whole history of the case and find the hospital records and nine times out of ten they would see that this man had a pre-enlistment condition recorded and there was no aggravation and the man would get nothing.

Mr. GREEN: What that amounts to is this: if you show they have made a wrong decision when they said it was wilfully concealed then in order to get the man anywhere—

The CHAIRMAN: No, no.

Mr. GREEN: —they will switch their basis from wilfully concealed to the fact that it was recorded on medical examination.

The CHAIRMAN: There is no suggestion about getting the man anywhere, Mr. Green. I am saying this that if you take out of the Act the wilful concealment and say that a man even if he wilfully conceals is going to be better off than a man in a case where it is "recorded or obvious" then every case where it could possibly be "recorded or obvious" is going to be carefully gone over, and when it is carefully gone into the result may very well be in a great many cases that rulings that are favourable today will be unfavourable, Mr. Green, and I know many cases where a man has got a good decision from the trial court and has insisted on the matter being gone into more fully and has found out that he is worse off than if he had left the matter with the trial court. It is a matter of insisting on going into the case more deeply—such as a case like this. I venture to say that if this man appeals and gets all the hospital records and brings out all the facts he probably will find himself on this basis, that it was a pre-enlistment condition recorded, not aggravated, and he would not get a pension at all. That is, on that basis.

Mr. GREEN: That is not the ruling that has been made.

The CHAIRMAN: No, I am suggesting it. There is a suggestion here that this ruling is adverse to the soldier.

Mr. GREEN: It is, too.

The CHAIRMAN: And I am suggesting that this probably was a ruling made to help the soldier out.

Mr. GREEN: Ah!

Mr. JUTRAS: To bring this point out, I wonder if the chairman of the commission would give us exactly—I am not asking for the information to-day—but I wonder if the chairman would have somebody look into this particular case and tell us how the soldier has fared under this ruling of wilfully concealed and then in an imaginative way reverse the ruling and make it not wilfully



concealed; show how the soldier will come out; but give us a clear example of the two cases.

Mr. GREEN: He can tell us that now.

Mr. JUTRAS: He does not know the facts.

Mr. GREEN: He can tell us that on any case now because the law—

Mr. JUTRAS: I want it for that particular case, because we have been arguing back and forth on that particular case. I do not think he can give the ruling to me now because he has not got the facts.

Mr. HERRIDGE: I suggest that the argument is futile until we have the documents. I suggest that we allow Mr. Conn to proceed with the illustrations he was giving us, and in proceeding he may touch on other cases, and then we can ask the commission to produce the documents of cases which we wish to discuss.

Mr. BLAIR: Was this recorded on a man's history sheet?

The WITNESS: I never saw this case until this morning, doctor, but I do not think there would be the slightest doubt about it. I think the last suggestion we have had about producing the actual documents is valuable, because this is only a brief summary to give you a picture of the way things are handled. The evidence is not here. The evidence will be on the file.

Mr. BLAIR: The point is that if it were not recorded on the man's history sheet you could not blame him for his answer that he did not have a certain trouble, if he said no—you cannot blame the man and you cannot say anything about wilful concealment or otherwise if he was not asked the question.

The WITNESS: The facts will have to show that.

The CHAIRMAN: It does not have to be recorded on a man's history sheet; it may be recorded on a legal document; it may be recorded in hospital.

Mr. BLAIR: And they have found it in going back into the man's history?

The CHAIRMAN: If it is recorded in a hospital. This man was in hospital for four weeks, so it must have been recorded, I suppose.

Mr. BLAIR: Even if he is in a civilian hospital?

The CHAIRMAN: That does not matter so long as it is recorded prior to enlistment.

Mr. GREEN: "Recorded on medical examination prior to enlistment"; does that mean military records?

The WITNESS: Oh, no; a civilian hospital, a doctor's books, or any record.

The CHAIRMAN: Will you proceed with the other cases? If there are other cases on which we want further facts we can get the files.

Mr. BAKER: Mr. Chairman, we have been discussing this matter for two days. Personally, I am very much impressed with the fairness of the Pension Commission. We are departing on a very dangerous principle. It is a dangerous thing to take this clause out. Wilfully concealed. A thing to be wilful must be proven. There is such a thing as wilful disobedience of an order which is different from disobedience, and wilful disobedience of an order has to be looked into and has to be decided by court martial. I believe for the benefit of the soldier it is much better to leave this in the Act. It is certainly of benefit to the pension commissioners because it is up to them in the final analysis to interpret the Act, and it is apparent to me that they are leaning over backwards to be fair. I believe that we will be making a dangerous departure if we take this out. If the term "wilful concealment" were being abused I would consider taking it out, but it is not being abused, and I think it serves a definite purpose, and I certainly would vote in favour of having it remain in the Act.

The CHAIRMAN: Might we proceed now with these cases?

Mr. CROLL: I do not know whether the committee is interested in hearing thirty cases. Let the witness take four or five cases and let us give the matter some consideration. They all seem to be the same sort of case.

The CHAIRMAN: Let us take some cases.

The WITNESS: I will start at the back and work forward and give you seven cases.

(1) At medical examination prior to enlistment, this man denied history of syphilis. When examined in October 1943 he admitted having developed syphilis in 1930 with continuous treatment for one year thereafter. The commission ruled on 16.4.45:—"Tabes Dorsalis with associated charcot joint, right knee—pre-enlistment condition, wilfully concealed, aggravated three-fifths in a theatre of actual war. Award effective date of discharge with no subsequent increase."

(2) At medical examination prior to enlistment, this man denied ever having bronchitis. In November 1940, he had treatment for chronic bronchitis and then he gave a history of chronic bronchitis for as long as he could remember. The commission ruled on 7.7.44:—"Chronic Bronchitis and Emphysema—pre-enlistment condition, wilfully concealed on enlistment, aggravated two-fifths during service in a theatre of actual war."

Mr. PEARKES: Did the man admit to having chronic bronchitis or did he merely admit to a condition of having a cold? I can understand a man saying he had a bronchitic condition at the beginning and then after cross-examination he might admit that he had many colds and the board might rule that it was a case of chronic bronchitis.

The WITNESS: He might agree. In this case he gave a history that he had suffered from bronchitis for as long as he could remember. Those words do not come out of the air and I presume they are in the history he gave at the time he was under treatment, I do not know where they came from. But on the other hand there would be cases where a man would say, "I suffered from colds prior to enlistment." Each individual case would have to be judged on its merits and there is no hard and fast rule laid down.

*By Mr. Green:*

Q. If you had not ruled "wilfully concealed" in that case he would have got five-fifths of the disability on discharge, would he not?—A. Possibly, but I would not want to make a statement in that regard. Possibly this might be an explanation: After World War I there was not a shortage of staff and that sort of thing, and in carrying out their duties the Board of Pension Commissioners were instructed under the Act to inquire fully into all these matters before ruling. They employed at that time a staff of investigators who would go around and check upon the pre-enlistment activities and particularly the health history of the different claimants for pension, and naturally a great many things came to light. Now, the commission has not got that staff at present; we are not in that position; we are not able, frankly with the tremendous volume of work before us to go into these pre-enlistment activities.

Q. I asked you the question if you had not ruled that that was wilfully concealed then under section 11 (1) (c) you would have been required to give that man five-fifths of his disability?—A. Oh, no, not by any means; oh, no. I have a duty to perform, Mr. Green, and my duty is to inquire fully into these cases, and if it is brought out that the disability was recorded on medical examination prior to enlistment—and you brought out a point and you are quite correct—only I do not agree with certain inferences—but if you take that term out of the Act the commission will enquire to see if it was recorded on prior medical examination; decidedly I would.

Q. If you could not find it recorded on medical examination then you would give him five-fifths? A. Yes, if it was not obvious. I must carry out the provisions of the Pension Act.

Mr. WRIGHT: I think that shows the attitude.

The WITNESS: The attitude is that I am going to carry out the law as you gentlemen draft it.

Mr. BROOKS: You are not calling it wilfully concealed because your commission has not investigators to send around to see if it is recorded on medical documents?

The WITNESS: The evidence before the commission is that it is wilfully concealed in these cases, so we do not have to look any further. There would be a duty upon the commission to inquire not only whether it was wilfully concealed or recorded, and we would be derelict in our duty if we had this information that this man was in hospital for—

Mr. CROLL: We have a very good impression of the commission; let us go on with the cases.

The WITNESS:

(3) At medical examination prior to enlistment, this officer stated he never suffered from any heart or other cardio-vascular condition. At his Discharge Medical Board, he stated he had suffered from high blood pressure for ten years. The commission ruled on 3.1.46:—"Hypertension—pre-enlistment condition, wilfully concealed on enlistment, aggravated three-fifths during service in a theatre of actual war."

(4) At medical examination prior to enlistment, this man stated he never had rheumatism. In August 1944, he was admitted to hospital with a recurrence of rheumatic fever. He then stated that he had rheumatic fever when fourteen years of age, was in bed for six weeks and was obliged to take no active part in sports from then on. Each spring he had slight recurrence with joint involvement until the age of twenty years. The commission ruled on 28.4.45:—"Rheumatic Heart Disease with Mitral Stenosis and Insufficiency—pre-enlistment condition, wilfully concealed, aggravated during service in a theatre of actual war two-fifths."

(5) At medical examination this man denied history of syphilis. During service, in October 1942 syphilitic tabo-paresis was diagnosed. The man then gave history that he had V.D.S. fourteen years previously and stated that he had received fourteen months' treatment at the York Clinic in Toronto. The commission ruled on 29.4.43—"Syphilis resulting in tabo-paresis—pre-enlistment condition, concealed on enlistment, aggravated two-fifths during service in a theatre of actual war. Award effective from date of discharge. No subsequent increase in disability shall be pensionable—Section 12-(C)."

(6) At medical examination prior to enrolment, this man stated he never had any disease likely to render him unfit for service. In June, 1941, about two months after enlistment, he was treated for discharging ears. During service earache and discharge recurred intermittently although he was never admitted to hospital. At his Discharge Medical Board he gave history that he first had trouble with his ears in childhood and that earache and discharge occurred from time to time during childhood. The commission ruled on 13.7.45:—"Chronic Otitis Media with Chronic Mastoiditis:—pre-enlistment condition, wilfully concealed on enlistment, aggravated during service in a theatre of actual war three-fifths".



*By Mr. Green::*

Q. How old was he when he enlisted?—A. I have not that particular here. After enlistment he was treated for his ears. There is evidence that he had earache. I cannot tell you his age.

(7) At medical examination prior to enlistment, this man denied history of previous disease. In January, 1942, he was hospitalized in England for osteo-chondritis of the spine. He then gave a history that at thirteen years of age he developed a pain in his spine and was in bed for a month or so. He later gave a history that he was struck in the back in 1933 while in a stooping position. The commission ruled on 13.5.42:—"Osteo-chondritis of the spine—pre-enlistment condition, wilfully concealed, aggravated one-fifth during service in a theatre of actual war.

Q. On what basis would you find that that was wilful?—A. Because that condition was due to an accident.

Q. On what basis would you find he wilfully concealed that condition? Would that be as a result of an answer to a question?—A. As the result of an answer to a question. That would be a general question. I have not got the particulars here. I have none of the documents here. We try in the commission to keep our ears open with regard to this matter of denial. I am not sure whether we do not pursue that a little too strongly, because this is a question of wilful concealment; it is rather difficult to have concealment without it being wilful. For instance, I walk into your office and you are reviewing some confidential document that you do not want me to see and that it is none of my business to see, and you hurriedly shove the document into a drawer. That is concealment, and I submit it is also wilful concealment.

Q. That, I think, is where the commission is going astray.—A. We stress "wilful" and bring under this principle as few people as possible. Now, I often wonder if we do not stress that a little too much, but we stress the wilful angle in every case, but there are hundreds and hundreds of cases where we might possibly be justified in finding wilful concealment where we do not. Now, you heard Mr. Parker speaking here in regard to duodenal ulcers. I did not have the privilege of being here, but I know he was talking about that disability, and how it is a constitutional condition or something like that. Now, only recently, before this war, we had been ruling on hundreds of cases of duodenal ulcer, and we had been asked to rule that duodenal ulcer was attributable to service twenty years before, and have so done.

Q. What do you mean by that?—A. Twenty years after service this commission was finding that duodenal ulcer was attributable to service twenty years before.

Q. In the last war?—A. In the last war. Today we are ruling that duodenal ulcer was incurred during this war, maybe last week or last month or last year, and here is an interesting point in regard to that: one of the largest civilian hospitals in Canada—there is no pension involved in these cases—but the average history in regard to the onset of duodenal ulcer is a matter of thirteen years. There is a history of symptoms for thirteen years prior to the date that it is definitely diagnosed. We have not time to go into these cases and investigate pre-enlistment conditions; there is no pre-enlistment history on the record. There is a record of the man having suffered from duodenal ulcer during service. It is diagnosed during service, and we say, "Duodenal ulcer incurred during service, pensionable for the entire disability." But I am telling you that if we had the staff and time to go into each one of these cases, and if the situation is anything like the situation I have mentioned in regard to this civilian hospital, you would find a great majority of these cases, I suggest, would be of pre-enlistment origin. We have not that history before us, so we ruled "incurred during service."

*By the Chairman:*

Q. Have you given the six?—A. Six individual cases.

The CHAIRMAN: Did you wish to make a further statement, Brigadier Melville?

Brigadier MELVILLE: I have nothing to add at this moment, Mr. Chairman.

The CHAIRMAN: What is the wish of the committee in regard to this particular case, following up Mr. Jutras' suggestion that we actually examine that case of the traumatic stricture of the urethra? Does the committee want the documents brought here so that we can examine that?

Mr. GREEN: I wonder if they could get those details.

The WITNESS: Yes. There is no trouble about that.

The CHAIRMAN: After we take that case and look into it, it is the decision of the steering committee that we will start considering the actual pension bill tomorrow morning. We will adjourn now until then.

Mr. GREEN: While we are on that, we were still dealing with this question of pre-enlistment condition and the understanding was that we would go on with that and finish that up, before we went into the sections of the bill.

The CHAIRMAN: Could we not discuss that when we come to it in the bill?

Mr. GREEN: No, because those were to two points raised by the Legion—the insurance principle and pre-enlistment condition. All this evidence has been on pre-enlistment condition and we are not quite through with that.

The CHAIRMAN: I see. So that we will continue the discussion on pre-enlistment condition before we actually start considering the bill. But I do hope that we can get started on the bill tomorrow. We will adjourn until tomorrow at 11 o'clock.

The committee adjourned at 12.55 p.m. to meet again on Friday, May 17, at 11 o'clock a.m.







U. Doc  
Can  
Com  
V

CAI  
XC2

45V21

Canada Veterans Affairs, Spec  
Letter no. 1946

SESSION 1946  
HOUSE OF COMMONS

CANCELLED  
UNIVERSITY OF TORONTO  
APR 14 1947

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 18

FRIDAY, MAY 17, 1946

## WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the  
Chairman, Canadian Pension Commission;  
Lieut.-Colonel R. B. Haley.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946







## MINUTES OF PROCEEDINGS

FRIDAY, May 17, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Gillis, Green, Harkness, Herridge, Jutras, Lennard, Marshall, MacNaught, McKay, Merritt, Mutch, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Tucker, Winters, Wright.

*In attendance:* Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission; Lieut.-Colonel R. B. Haley.

The Chairman read a statement prepared by Colonel A. L. Tosland outlining the policy of the Army regarding the enlistment, employment and discharge of personnel.

Colonel Haley was called, questioned and retired.

Examination of Mr. Melville was continued.

Mr. Melville submitted certain suggested amendments to the draft bill to amend the Pension Act, which were distributed to the members of the committee.

Mr. Green moved that the Committee recommend that paragraph (c) of subsection (1) of Section 11 of the Pension Act be amended by deleting the words *was wilfully concealed* in line 14 thereof.

Discussion followed.

On motion of Mr. Mutch, the Committee adjourned until Tuesday, May 21, at 11 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee*



## MINUTES OF EVIDENCE

HOUSE OF COMMON,

May 17, 1946

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: I spokè yesterday about Colonel Tosland who had prepared a short statement in regard to the army policy having to do with enlistment and discharge of personnel. I think it probably would be all right to put it on the record. I have looked over it and it seems to be relevant to what we have been talking about. Colonel Tosland was not able to be here yesterday or today and may not be back for several days. Colonel Haley is here and will answer any question about it. We could defer questioning if you wish. I can read this statement or put it on the record and the members can look it over. Probably Colonel Haley could be back on Tuesday for questioning or I could leave it as the committee desires. I think it is relevant to what we have been talking about in regard to the army policy.

Mr. WRIGHT: How long is the statement?

The CHAIRMAN: It is just one page.

Mr. WRIGHT: Read it.

The CHAIRMAN: It is prepared by Colonel A. L. Tosland.

The policy of the army regarding the enlistment, employment and discharge of personnel can be stated very briefly as follows:—

- (a) To enlist men in accordance with the medical standards laid down from time to time. On no occasion have these standadrs permitted the enlistment of men with known psychiatric disabilities.
- (b) To discharge immediately any soldier who is recategorized or regarded to Pulhems 5 or its equivalent category.
- (c) To employ personnel during the period of their service on duties for which their medical category or Pulhems profile indicates they are fitted.

2. With regard to enlistment, the medical examinations in the first years of the war were preformed by the average medical officer who had to rely on the recruits' replies to questions or any very obvious symptoms to detect those with neuropsychiatric tendencies. It was not until the latter part of 1942 that psychiatrists were used in any appreciable number. The services of psychiatrists became standard practice with the adoption of the Pulhems system in 1943. A survey of the rejections during the period July 43—May 45 indicates a very high neuropsychosis rejection rate. (Includes those with functional as well as neuropsychiatric diseases).

3. The reason why many of these cases were retained in the army for comparatively long periods was because their disabilities were not immediately apparent. Many of them developed during the period of intensive training in England and the blitz period. Even then reactions were not always such as would make the soldier in question eligible for immediate discharge. Often their services could be used in England or Canada on duties which would otherwise have to be performed by men more suited for service in the field.



As I say, Colonel Haley is here if you think there is anything arising out of that that any member would like to ask him about. He is ready to answer any questions or we can defer questioning on that if the committee wishes.

Mr. HERRIDGE: What date is that?

The CHAIRMAN: The statement?

Mr. HERRIDGE: Yes.

The CHAIRMAN: It was prepared for presentation to the committee. Colonel Tosland was here waiting to present it for two or three meetings of the committee and then he had to go on other duties. Colonel Haley is designated by the department to answer any questions arising out of it.

Mr. HERRIDGE: I have one or two questions. I will be quite brief.

**Lt. Col. R. B. HALEY, Department of National Defence (Army), called:**

*By Mr. Herridge:*

Q. About what date were those instructions issued?—A. Which instructions?

Q. The instructions along the line outlined in that statement.—A. Pulhems came into effect in 1943, although in 1942 the psychiatrists were working on the interpretation of neuropsychiatric disorders. It was in the latter part of 1942 that screenings for neuropsychiatric disorders commenced.

Q. I know of this case personally. Can you explain to me how after that date a man could be enlisted in the army with an artificial leg below the knee and serve three years? I know of the case actually myself.—A. I am afraid I cannot explain that.

The CHAIRMAN: Would the committee like Colonel Haley to explain to them in plain language what this Pulhems profile really is because it is not as complicated as it sounds. It is very interesting and would be helpful if any members of the committee are not clear on it.

Mr. BLAIR: I think we should hear it.

*By the Chairman:*

Q. Would you explain that?—A. I will do it to the best of my ability. I might explain I am neither a doctor nor a psychiatrist.

Q. That is all the better for explaining it to us.—A. In 1942 the then medical examination was not considered detailed enough in order to interpret functional categories to officers of the army who were charged with administering manpower. Consequently the Pulhems system was devised. I think I can explain what the various factors mean. If I may I will read a short paragraph from the printed edition of Physical Standards and Instructions for Active and Reserve Army, dated 1943.

For this purpose medical gradings have been set down under seven general subdivisions of bodily and mental function. These subdivisions are designated as follows:—

- P. Physique—(This includes a man's general development, height and weight, his potential capacity to acquire physical stamina with training, his capacity for work.)
- U. Upper Extremities—(Functional use of hands, arms, shoulder girdle and upper spine).
- L. Lower Extremities—(Functional use of feet, legs, pelvis and lower spine, etc.)
- H. Ears and Hearing.
- E. Eyes and Eyesight.

M. Mental Capacity—Intelligence.

S. Stability (Emotional).

There are five grades for each subdivision except that in "M" there are four and in "S" there are three. Grade 1 implies normal function; grade 5 signifies total disability for army work. Grades 2, 3 and 4 are used to indicate intermediate degrees of functional ability.

Would you like me to go into the various grades?

Q. No, the idea was to explain to the committee the reason for that word "Pulhems". Pulhems is the word that embodies those letters. I thought that the committee might be interested in knowing what that word really signified if they had not heard it before.

MR. WRIGHT: There have been certain cases brought to my attention where men who have been called up under the N.R.M.A. and were classified under those tests later wanted to enlist in the general service and were refused, the understanding being that if they were accepted in the general service the higher category would automatically lead to their discharge. They were refused. I think that certain ones who found themselves in that category felt they were being discriminated against and that it was very unfair.

MR. BENTLEY: You mean they were not allowed to go active?

MR. WRIGHT: They were not allowed to go active because of their physical condition. They could be given a job in the home army and perform a service there but if they were accepted as general service men they would have had a further medical examination before going overseas and would have automatically received their discharge. I wonder if that was general or were these exceptional cases?

The WITNESS: I think it was probably an exceptional case. Perhaps Captain Fyfe can tell me the date when Pulhems 3 and lower were not accepted into the active forces.

Captain FYFE: No.

The WITNESS: I believe it was in the early part of 1944. No personnel was enlisted for N.R.M.A. or general service who had 3 or lower in his Pulhems. There were enough troops for the home war establishments and static and base duties, and no troops were enlisted with lower than 3. I do not know what category your man had.

*By Mr. Wright:*

Q. I do not know the category either, but I know they were cases that were brought to my attention and were quite upset about the matter.—A. At that time no 3's were being sent overseas no matter how long they had been enlisted. The requirement overseas was for operational troops and no 3's were being sent at that time. That might explain the reason, as he may have had his 3 for some time but if he had gone G. S. there was no requirement for him.

*By Mr. Emmerson:*

Q. You have referred to Pulhems 3. Does that mean average rating?—A. No, sir.

Q. A man might be 4 in one, 3 in another and 1 in another?—A. Quite right.

Q. Is that the average?—A. No, it is not the average. He might be 3 under one particular grading and be 1 in all the rest. He might be 4, for instance under S.

Q. Then he would not be qualified?—A. He would not be qualified as an operational soldier.

Q. If he got down to 3 in any one he would not be qualified as an operational soldier?—A. The Committee on Standards of Selection was charged with setting out the profiles which were suitable for the various tradesmen, non-tradesmen and specialists in the various corps. The Committee on Standards of Selection met with corps directors and operational officers and decided what were the minimum profiles for the various categories of soldiers throughout the army. These have been set down in a table which is called part IV of Physical Standards and Instructions. For instance, I might take one example of a non-tradesman, drivers for the armoured corps. They may have in their profiles 2, 2, 2, 2, 1, 2, 1. In other words, they may have 2's in everything except E for eyesight and S for stability.

*By the Chairman:*

Q. And the lowest category under S is 3, is it?—A. No, there are S.4's and S.5's. There is no S.3.

Q. But it said there were only three categories under S as you read it. I was surprised at that.—A. There never was an S.2. I cannot recall when S.3 was eliminated.

Mr. HARKNESS: It was eliminated overseas. We used to have people S.3 and S.5 but for some reason they did away with S.3.

The WITNESS: I believe that was done in 1944.

Mr. HARKNESS: Some time fairly well on.

*By the Chairman:*

Q. So under S there was S.1, S.4 and S.5?—A. That is right.

Q. What the committee was particularly interested in was the condition of a man who would be categorized S.5? Have you got that there?—A. You mean his description?

Q. What would cause him to be put in S.5?

Mr. BENTLEY: He would be completely nuts, would he not?

The CHAIRMAN: I do not know. I am curious.

The WITNESS: May I read a couple of paragraphs on S? S is the standard of stability.

Standard of Stability.—The criterion of acceptance in the army must be stability sufficient to allow the recruit to adjust satisfactorily to training and employment likely to be required of him.

The stability factor refers to the emotional or affective aspect of the personality. The degree of emotional stability which an individual possesses is reflected in the ease with which he reacts emotionally to situations of varying complexity, and the extent to which these emotional reactions are reflected in disturbances of the autonomic nervous system, such as rapid pulse, sweating palms, etc.

I do not think I need go further than that. Then I might describe S.1 according to the bible.

S.1—Suitable for full combat duty. Will include those with signs of mild instability who with good unit morale and good physical and mental conditioning may become sufficiently stable for combat duty.

S.3 was the one that was dropped.

S.4—Evidence of definite emotional instability but not sufficient to preclude adjustment in the army if retained for service in some suitable employment. Grades 4 in both M and S render the individual unsuitable for service in any capacity.

If he has M.4 and S.4 in his Pulhems he is of no use to the army.

S.5—Unsuitable for service in any capacity because of emotional instability.



*By Mr. Emmerson:*

Q. Under M, mental, how low would you take a man?—A. This is the definition of M.

Standard of Mental Capacity.—The criterion of acceptance for army service is sufficient native intelligence and learning ability to be able to understand instruction in military training and to demonstrate practical common sense and initiative in the field.

M.1—Intelligence sufficient for full combatant duty and training as a tradesman or specialist.

M.2—Intelligence sufficient for non-tradesman or non-specialist combatant duties or trades requiring experience rather than ability.

If I might elaborate on that, there have been cases where on the psychiatrist's examination the man does not appear to have enough native intelligence or capacity to be able to absorb a trade. Nevertheless he might, for example, have been a garage mechanic for 15 or 20 years. He has learned his trade. If he can pass his trade test, then the army accepts him as a tradesman. Continuing:—

M.4—Specific defects in intelligence or learning ability, so that full training cannot be absorbed. Has sufficient intelligence, however, to be useful at simple routine duties, simple labour, etc.

M.5—Unsuitable for service in any capacity because of insufficient intelligence.

*By Mr. Brooks:*

Q. I should like to ask the colonel a question. That came into effect in 1943?—A. Yes.

Q. And after that date, the men were examined as to their categories on that particular scheme?—A. That is right.

Q. Were all the men in the army examined; that is, those who had been enlisted previously?—A. No, sir. It was not possible to conduct full medical boards for Pulhemsization for the men who had been enlisted, for instance, in 1939, 1940 and 1941. In most cases when a soldier went to hospital, he was then given Pulhemsization and was given the Pulhems profile. But there are still several thousand personnel, or have been until their discharge, in the army who were categorized on the old system of A, B, C, D, and E.

Q. A man in the early part of the war could very well have had a higher category, or a category that he was not entitled to, under the old system than he would have had if he had been examined under the new system?—A. That is possible.

Q. And if he came up for pension—this possibly could be answered by another department—a man who enlisted in the early part of the war would have a far better chance of getting a pension than one who enlisted in the latter part of the war?

Brigadier MELVILLE: Mr. Chairman and gentlemen, the commission is interested in the Pulhems. The commissioners in their decision is not bound to any extent by the Pulhems. What concerns the commission is,—was the injury or disease incurred on service and did it result in a disability? If there is a disability, was that attributable to, was it incurred on, or did it arise out of service wholly rendered in Canada? The latter condition will not apply as soon as the new enabling authority comes into effect.

Mr. Brooks: That is not my point altogether. My point is this. A man enlisting in the early part of the war did not have as careful a medical examination as he did in the latter part of the war, especially in these mental cases, and he could very easily have got in the army without knowing what his condition was. If later on he comes up for pension he would have a very good chance

of getting a pension; but the man who enlisted in the latter part of the war had a more strict examination and of course he naturally would have a more difficult time in getting a pension.

Brigadier MELVILLE: I do not think there is any differentiation in the manner in which claims are dealt with by the commission.

Mr. BROOKS: I know how they are dealt with. But they have not got the history.

Mr. GILLIS: Mr. Chairman, I am glad that Brigadier Melville made that explanation. It was running through my mind, when the witness was talking, just what bearing the Pulhems profile as set out in a man's documents had in determining his eligibility for pension. I should like to ask the witness this question. Were these categories set out by medical men or just determined by regular officers of the unit?

The WITNESS: By a complete medical board.

Mr. GILLIS: But the commission is not taking that as a basis for pension?

The CHAIRMAN: No. There is no suggestion of that. I thought the committee would be interested in this system that was introduced in 1943. Could you give us the date in 1943 when it was introduced, or when that order came out?

Mr. MUTCH: The profile is just a complete and concise record of the medical history. It does not purport to be anything more than that.

Mr. GILLIS: It might not be a bad idea to have these categories set out in the record. It is a matter of hog Latin to me. I can listen to the witness, but I cannot figure out what he is talking about.

Mr. BENTLEY: I wonder if the table the witness is reading from could be summarized, and put into the record as an appendix so that we would have a chance to study it later on? It need not be read in now.

The CHAIRMAN: I think that is a good idea. In the committee we are always referring to S.5 people. I thought there might be some in the committee who did not serve in the army and might not be clear on what an S.5 or an M.3 or something like that meant. I thought they would be interested in the basis for those terms; and we can have that.

Mr. MUTCH: M.3 is one of the two we have not got.

The CHAIRMAN: Well, I am not sure about that. In category M, there are four grades, are there not?

The WITNESS: Yes, there are four.

The CHAIRMAN: In any event, you could prepare a summary of that, so that we could put it in the appendix and it would be more intelligible.

The WITNESS: Yes.

*By Mr. McKay:*

Q. I believe Colonel Haley made the remark that any active service veteran would be discharged if he was below S.4. Am I correct in that?—A. Yes.

Q. If that is true, was it a medical discharge? It would be a medical discharge?—A. Any discharge like that is medical, yes sir.

Mr. McKay: I think a further remark was made by somebody here that in the case that this chap might have been serving under the N.R.M.A. call-up, he was not discharged if he came below an M.3 standard. How low a category was permitted in the case of those N.R.M.A. men? Is there anyone here familiar with the situation? Because it seems rather peculiar that we have one standard for one group and another standard for the other, and they were both serving at that time, I presume, in Canada before going overseas.

*By the Chairman:*

Q. The suggestion is, Colonel Haley, that people of a lower medical category than that set for the active army were actually kept in the N.R.M.A.?—A. No, that is not so, because this Pulhems system applied to N.R.M.A. and G.S. soldiers.

Mr. MUTCH: Exactly the same.

The WITNESS: As I read out in the beginning, it is physical standards and instructions for the active and reserve army, which includes G.S. and N.R.M.A. soldiers.

*By Mr. McKay:*

Q. In other words, the system was applied in both cases?—A. That is correct.

Q. And regardless of whether he was an N.R.M.A. man or an active service man, he got the same treatment?—A. That is correct.

Mr. MCKAY: Still I believe Mr. Wright mentioned this morning a case in point, which he had, where the man definitely did not get that treatment. It is suggested that it was an isolated case, but I have heard of others.

Mr. BROOKS: I understood, Mr. Chairman, that you were calling the witness from the army to explain to us why it was there were so many men of very low category kept in the army.

The CHAIRMAN: Colonel Haley will explain that.

Mr. BROOKS: The colonel has explained to us what the examination was after 1943; but he has also stated that that very strict examination was not applied to the men who had been in the army; and there were men who were in a low category. When we were in the bases in England there were hundreds of them. You wondered how they would ever get in the army at all. I understand that the Pulhems test was not applied to them.

The CHAIRMAN: Is that correct?

Mr. BLAIR: If I might be allowed to speak off the record, I should like to do so by way of explanation of this.

The CHAIRMAN: Very well.

(Statement off the record.)

Mr. MUTCH: I think it is too bad that answer is not on the record.

The CHAIRMAN: Yes; I am sorry we did not have it taken down. Is there anything further?

Mr. BROOKS: I had a question.

The CHAIRMAN: Oh, yes. Will you answer the question Mr. Brooks asked, Colonel Haley? The suggestion is that when men were in a very low category they were kept in the army for considerable periods. We wanted some explanation of that.

The WITNESS: Mr. Chairman, they were not kept in if their Pulhems profiles were below the standard set in part IV of P.S. & I., to the best of my knowledge.

*By Mr. Brooks:*

Q. You said that the men who were in the army when the Pulhems profile was started in 1943 were not given a Pulhems profile.—A. Not necessarily.

Q. I refer to those men in bases in England and other places, men of a low category. Those men were never examined again under the Pulhems profile system, according to your statement.—A. They were examined if they went to hospital with a defect which would cause the medical officer to re-examine them.

Q. Yes. But they did not go to hospital.



Mr. MURCH: I think it is important that we should get from Colonel Haley the information which Colonel Brooks is asking for. I suggest, that if he, having some familiarity with that book, would show to the committee the Pulhems classifications for certain trades and certain occupations in the army, just as a sample of it, that would take care of the matter. The only other question which I think arises out of the discussion at the moment is what provision was made for the classification of substandard physique personnel who were in England prior to the general adoption of the Pulhems system? In the first instance, as I understood it, all those who were hospitalized for any reason or required a medical examination, were given the Pulhems test. Those who remained fit did not get it until they eventually became a casualty in some form or another. But is it not correct to say that, once that situation was taken care of and the general set-up was adopted overseas, eventually the majority of those substandard category men who served only in England, received the Pulhems before they were returned to Canada for discharge? I think if you answer those questions, we will have what we want.

The WITNESS: Yes, sir. To answer your first question first, take the case of a very common man in the army, the driver I.C.

*By the Chairman:*

Q. I.C. meaning what?—A. Internal combustion. For an operational unit his Pulhems profile had to be, 2,2,2,2,1,2,1. For a static unit, his profile could go down as low as 4,3,4,3,2,2,4.

Mr. GILLIS: Would you mind explaining exactly what all those 2's and 3's mean? \*Where does that fellow fit in physically?

The WITNESS: I would have to take each one separately.

The CHAIRMAN: I could give you that. The first one, physique, 2; upper extremities, 2; lower extremities, 2; hearing, 2; eyes, 1; mentality, 2; and stability, 1.

Mr. GILLIS: What is wrong with him?

The CHAIRMAN: I beg your pardon, Mr. Gillis?

Mr. GILLIS: What is the matter with him?

The CHAIRMAN: Well, his physique is not of the best. Maybe he is a little bit too stout, or something. His upper extremities may not be well developed. He may not be well developed in his arms, or something like that. In his lower extremities, he may have a tendency to flat feet. I am just speaking as a layman, figuring how they do figure these things out.

Mr. BENTLEY: Would a tendency to duodenal ulcer come in the lower extremities, Mr. Chairman?

The CHAIRMAN: That is the physique, I take it; the general physique. Then H.2, that means he has not got the keenest hearing you might imagine. E.1 means his eyesight is good. M.2 means that he is not as bright as some people, and S.1 means that he is fairly stable. That, in a general way, I think covers it.

The WITNESS: Yes.

Mr. CRUICKSHANK: What is the lowest common denominator?

The CHAIRMAN: There is no such thing as that in the Pulhems. You can look at a Pulhems profile and see that a man has good eyesight, that he has got good stability, that he is not the brightest man in the army, and his general physique is not of the highest. You can just look at that and see that right away.

Mr. GILLIS: That is better. I have a fairly good idea now what it means.

Mr. BENTLEY: I wonder if I could ask a question that has been rather troubling me since the war started? This is not a complaint, but I want to get

an explanation if I may. I will not mention any names, but I will give an instance of two boys that I knew. They were of different ages, about 2 years apart. They were both good athletes. Each was president of his collegiate institute in the year he went through. They both wore glasses. One of them joined the army and was accepted on 3rd September, 1939, and served until he was sent overseas about 11 months later. He went to Sicily, was wounded there, discharged from hospital and went through on front line service through Italy until the troop movement to Europe a year ago now, or about that. Then he served in northwestern Europe and finally was discharged this past winter. The other boy wore glasses and to all outward appearances was similar in physique, activities, mentality and everything else. When he went to join up, he was turned down on account of his eyesight. They both wore glasses. So far as could be seen by any ordinary person who knew the boys around town, they were about the same. He was turned down. Under the call-up regulations he was again turned down, possibly at that time because he was in an essential job, but I do not know that. But before that there was no such thing as an essential job. Why was it that one fellow with glasses could go through on that and the other fellow was turned down? He felt very badly about it and still does.

Mr. BAKER: There are some who memorized the charts. There are various ways of doing it. There are others whose eyesight was corrected with glasses. But I have known people to get in who did not have the very best of eyesight.

Mr. BLAIR: Mr. Chairman, in those cases Mr. Bentley cites, that one man might have been fit with glasses. Two people would not have the same error of refraction in their eyesight. While they were both athletes, one boy might not be able to qualify even with glasses and the other boy could. That would be the answer to that. There would be a different amount of error of refraction in his eyes.

The CHAIRMAN: If we get a statement prepared by Colonel Haley put on record, summarizing the effect of this, is that sufficient for this at the present time?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Thank you, Colonel Haley.  
(Witness retired).

The CHAIRMAN: Now, gentlemen, the Pension Commission has been working very hard on two jobs; one is to get into order in council form the change in the Pension Act in accordance with the recommendations of this committee so that it may be put through as an order in council; the other job they have been working on has been to prepare amendments to the Act which embody the suggestions of the minister. They have had the suggested amendments to the Act printed and they will be distributed this morning, so that now you have the proposed bill with the suggested amendments and we are in a position as soon as we are finished with the general discussion actually to start taking up the proposed bill clause by clause. Did you have a statement to make; Brigadier Melville?

**Brigadier J. L. Melville, Chairman, Canadian Pension Commission, recalled:**

The WITNESS: Mr. Chairman, I have only one observation to make. The commission has been advised by the law officers of the Crown that with regard to the order in council to restore the insurance principle, that is all right.

The CHAIRMAN: You are advised by the Justice Department?

The WITNESS: We are advised by the Justice Department. With regard to the order in council to embody the other three proposals to which the government has agreed, that is not possible. Under the National Emergency Powers Act they say that in so far as the provision for blinded veterans' care is concerned that will be all right, but in so far as provision for an increase in the

elementary award at the discretion of the commission is concerned and with regard to ex-Imperials, the position is that they are other than Canadians. Is not that right, Mr. Conn?

Mr. CONN: Yes.

The CHAIRMAN: Under the Emergency Powers Transitional Act there is only power given to legislate in regard to those who served in the Canadian forces. That may have been an oversight because it is a handicap to us when trying to put through something for those who served in allied forces. In any event, they say we can only act under the bill in dealing with those who served in the Canadian forces. Naturally, under the Pension Act we can act under it, but when we try to deal with those who served in the British forces, other than Canadian, we get beyond the powers of that bill. So that it seems to me that the committee would be satisfied if we brought into force the insurance principle at once, without contesting the point of the Justice Department, and left the other three amendments to be brought into force by the bill when it passes the House. I think the main thing the committee had in mind was the insurance principle; getting it into force at once. On that question of British veterans it is quite clear we have not got the power to act under the Emergency Powers Transitional Act.

Mr. BENTLEY: That will be in the bill?

The CHAIRMAN: Yes, it is in the proposed amendment here.

The WITNESS: Mr. Chairman, there is another point I wish to mention. Mr. Green asked a question a week ago, and before we got too far away from it I was anxious to submit the information to this committee. The question he asked was: how many claims on appeals on assessment were received by the commission last year? Is that correct, Mr. Green?

Mr. GREEN: Yes, I think so.

The WITNESS: The question was along that line. The commission has no record as to the exact number of claims or requests for increased pension which were received, but on making a further inquiry I find very definitely the information I gave to the committee is correct. When a complaint is received originally it is dealt with by the local pension medical examiner, and in nearly all instances, if re-examination is considered advisable, such examination is carried out by a different medical examiner. Frequently that results in an adjustment, and that adjustment is immediately made. When no change may be indicated in so far as the local pension medical examiners are concerned they submit their reports, their complete reports, supported by specialists' opinions when necessary, to the commission where they are reviewed by the medical advisers. The medical adviser may consider a change is necessary and may submit his comment or recommendation to the commissioners, and the decision lies with them. If upward revision is indicated that action is immediately taken; and, gentlemen, many such cases have been dealt with and have been disposed of by granting a revision in the district or in the head office.

Now, I mentioned that there was a further provision in the Act which allowed for personal appearance before a commissioner or commissioners to be named by the chairman. Last year fourteen such applications were granted by the commission. Of those fourteen, nine actually appeared in person; the other five did not appear, possibly because they were unable to get in when the commissioners named were in their district. Of the nine who appeared five were granted an upward revision of the pension and four were continued at the same rate.

The CHAIRMAN: You are dealing with dissatisfaction in regard to degree of disability?

The WITNESS: Purely on the assessment.



*By Mr. Green:*

Q. Does that mean that there were fourteen hearings held under section 7, subsection 3?—A. There were fourteen listed, yes. I, as chairman, authorized personal appearance in fourteen cases.

Q. That is all there were in the whole year?—A. That is all there were in the whole year. In other words, gentlemen, from my personal knowledge most of these cases where appeals have arisen have been adjusted very satisfactorily.

Q. It means in effect that there are practically no appeals from assessment by this special board that you can set up under section 7, subsection 3?—A. No, it means that a great many of the requests for reconsideration on assessment are disposed of locally before they ever reach head office; that others reach head office and are disposed of by the commission before we ever come to the invocation of the provisions of the section of the Act. I will be quite frank, gentlemen, the commission is not infallible, medicine is not an exact science, nor is assessment; but the commission is prepared at any time to review and reconsider the question of assessment. I was anxious, Mr. Chairman, to complete that statement because the question was asked a week ago.

Q. I think the question came up in connection with our discussion about having an assessment appeal board?

The CHAIRMAN: Yes.

The WITNESS: That is quite correct, Mr. Green. I would like to read into the record, gentlemen, a letter which I received on Tuesday which has a direct relation to the observations which I have made. This was in my in-basket on Tuesday, and the letter reads as follows:

DEAR SIR: The last few months I have been receiving a pension of \$145 a month, which I understand is for full disability. It is rather difficult to put in writing what I want to say. Nevertheless, I feel that I have made considerable recovery, and although I am certainly only half the man I was before my accident, I feel that I am not entitled to a full pension at this time.

I write this letter without prejudice and hope not to cause anybody annoyance. It is true that certain things are the matter with me that will never be right. Nevertheless, I would ask you to review my case and arrive at a new figure, which in my opinion, to be fair, should be around 50 per cent.

I hope you will take this letter in the spirit in which it is written.

Gentlemen, I preserve the identity of this former member of the forces. We have a file, and to that file we add letters, not always like this wonderful one. Let me briefly tell you the history of this man. He was discharged directly to the treatment centre of the department, and when discharged from the treatment strength after a period of out-patient treatment at the end of last year he was examined by the pension medical examiner. He was severely wounded and his disability was assessed at 100 per cent. The pension medical examiner gave his full description of the disability and the injuries from which the man suffered, and suggested that the case be reviewed in December 1946, which was one year. I have replied to this letter, gentlemen, appreciating it more than I can say, and expressing very sincere sentiments, because it is very nice to receive such a letter of commendations I have told him that in accordance with his request he will be brought in for re-examination as soon as the commission could arrange, having regard to the appointments which have been made in advance; that examination will be sometime in July. At that time he will be pensioned in accordance with the degree of disability which is found at that re-examination, which may be 50 per cent or more. That is the policy of the commission which is always carried out.

Mr. BROOKS: He would have been up for examination whether he requested it or not?

The WITNESS: Next December. At the meeting which took place yesterday a request was made by the committee for the production of the file and the documentary record of one former member of the forces. Application was made for the file which was out on charge. It is one of 1,500,000 files in the custody of the department. When the file was received it was found that his overseas documentation had been returned to its proper place of custody, which is with the director of records of the army. Someone is there waiting on the director of records to produce it, and I may say he gives wonderful service. But, gentlemen, I have been unable to accomplish what I had hoped to do, to produce the file; but I will produce it and the record with the documentation completed during his service and submit it to the committee.

The CHAIRMAN: Are there any more questions having to do with the general administration of the Act which any member of the committee wishes to ask Brigadier Melville or Mr. Conn, or are we ready to actually start considering the bill now?

Mr. GREEN: Mr. Chairman, this discussion was started as the result of a Legion brief having to do with the insurance principle and pre-enlistment condition. The question of the insurance principle has been disposed of. That leaves the major question to be settled by the committee apart from the wording of the Act, of amendments to the Act—this pre-enlistment condition; and the only reference I can find to that in the Act is in this same section 11(1)(c). I think that is the only place in the whole Act where there is mention of pre-enlistment condition. I do not think that the Act as it stands today is satisfactory in the way it deals with pre-enlistment condition. Some changes should be made. There were recommendations made by the Legion, and in recent years there has been talk of other improvements that could be made. The British have their presumptions to deal with pre-enlistment condition, and I think that after the evidence which we have heard from Mr. Conn it is quite clear that one thing is wrong with the provision in the Act for pre-enlistment condition and that is the interpretation of the commission on those words, "was wilfully concealed."

Section 11(1)(c) applies only to the men who have been in a theatre of war. Somebody said the other day it is the one section that differentiates in favour of the men who did the fighting—mind you I realize there are many covered by that word who did not do any fighting—but this section was designed to give the fighting man a preference. It does not mean that when he enlisted he was very seriously disabled, his disability can only have been a minor disability, because he has been able to get overseas, he has been in the army or the navy or the air force for some length of time, because he has got into a theatre of war. Therefore, he could not have been very seriously disabled or he never would have got that far. So that it is not a case of a man who is 100 per cent disabled, or anything like that, at the time he enlisted. The section says that no deduction shall be made from the degree of his actual disability when he has been in a theatre of war. In other words, that he will get the pension for the full degree of whatever his disability is even though all or part of that existed at the time he enlisted. In other words, it was a pre-enlistment condition.

The position the section takes on these three provisos is: first, if his disability was wilfully concealed; second, was obvious; third, was recorded on medical examination prior to enlistment. As I read the section any one of those three provisions apply then; it reads that he is not entitled to pension at all.

The WITNESS: No.



Mr. GREEN: Certainly there is no doubt that the section should be amended to do away with that interpretation, to make it clear that he is entitled to aggravation. The way it reads it is not clear. I mention that as an aside. Then it says no pension shall be paid for a disability or a disabled condition, and then we come to the words "was wilfully concealed." Now, when I read that at any other time or in past times I always thought of it as a lawyer does, that "wilful" meant something, that there had to be bad faith, something very serious, practically that it had to be fraudulent, otherwise it would not apply; and I am quite sure that is the meaning that the members of parliament had who originally put that section into the bill. I think that the chairman, as a lawyer, will agree with me that that is the way he would interpret that word "wilful". But the commission did not interpret it that way at all. Mr. Conn has made that perfectly clear in his evidence. He filed a statement the other day and he said:—

It does not mean fraud or fraudulent, which terms imply criminal deception or trick to benefit financially or otherwise the deceiver.

In other words, they are not looking on it as meaning that there is any kind of deceit. Then he goes on to say:—

The crucial factor in regard to "wilful concealment" is, did the applicant, when questioned on enlistment, deny the existence of symptoms or conditions in order that he might be accepted into the forces?

In other words, they interpret it as where he denies the existence of a condition. He went on to suggest a definition for "not disclosed". He preferred the words "not disclosed" to "wilful" which, of course, is very much more against the soldier than the word "wilful". He defined "not disclosed", and again in that pointed out that the main feature was a denial of the disability.

This denial is based on a long series of questions asked a man when he enlists. Yesterday Mr. Conn went further and said that he wanted to have it understood that the denial might be either a specific denial of one condition or a general denial. He was driven into that position because in the navy practically all conditions are covered by the general question, "Have you got anything that would make you unfit for service?" Therefore the man is put in this position that he is in the hands of the doctor who fills out his particular form. If one of these conditions is denied and it turns out later that the man had had that condition why then he can be treated under the proviso to section 11-1(c). In other words, he loses his right to a pension for his full disability, and as it has worked out—and we had the figures yesterday—in 2,339 cases there has been a finding that the disability was wilfully concealed and was aggravated, and the man only got a pension for the aggravation and did not get a pension for his full disability to which he is entitled under the section. 64 cases were wilfully concealed with no aggravation and in 314 additional cases the Commission used the word "concealed" at the suggestion of the veterans bureau when they now feel they should have used the words "wilfully concealed."

I have not any wish to cover the fraudulent case. I do not think that anybody in this committee has in those cases where the man has been fraudulent, but there is provision made for him in two sections of the Act, section 5, subsection 2, which was read the other day, and section 59 which was not read. We overlooked that. The explanatory note is:—

Award of entitlement may be referred to a board for investigation.  
Then the section reads:—

Should the Commission consider then an award of entitlement granted by the Federal Appeal Board, the Pension Tribunal, a quorum of the Commission, and Appeal Board of the Commission, or the Court should, on



the ground of fraud or misrepresentation or the concealment of material facts, be cancelled, it shall refer the case with all relevant information to an Appeal Board of the Commission for investigation after notification to the pensioner that he shall be given an opportunity to be heard, and if such Appeal Board of the Commission is satisfied that the award should be cancelled, it may order cancellation and the recovery of any overpayment which may have been made.

That may not go far enough. It may not be broad enough to cover the fraudulent case although I think it does, but I suggest that is the way that the crooked veteran should be dealt with under the fraudulent case, and do not try to get at him under wording such as "was wilfully concealed" under section 11-1 (c). After all he is entitled to the benefit of the doubt. I think the way these words have been interpreted by the Commission is contrary to the whole intention of the Act, and I think, too, their interpretation is quite contrary to the words themselves. I would move that the committee recommend that para. (c) of subsection (1) of section 11 of the Pension Act be amended by deleting the words "was wilfully concealed" in line 14 thereof.

Mr. MUTCH: In speaking to Mr. Green's motion, I might say that I did not have the opportunity to hear the original part of the presentation by Mr. Conn, but I have it before me. Mr. Green says that the Commission interprets "wilfully concealed" to mean a denial at the time of attestation of the presence or prior existence, and simply to mean a denial, but he does not go on to read the following paragraph which I take to be interpretative of the policy of the Commission in which he goes on to say:—

There must be definite evidence of wilful concealment of disease before a finding of "wilful concealment" is made against the soldier. Then these are the words that I draw to your attention:

Mere neglect to reveal or non-disclosure of, or failure to volunteer information does not, in the opinion of the Commission, constitute wilful concealment. Now does the fact that he was discharged from the army after a first period of service on account of some disability or disabling condition constitute wilful concealment on his second enlistment.

If one is to accept the statement of the interpretation of "wilful concealment" I do not see how you can go on and say, as I understood you to say, that the Commission are interpreting "wilful concealment" to the detriment of the soldier, but rather my impression of what the Commission is actually doing is that they are interpreting it to the advantage of the soldier, that they are, in fact, doing what you suggest was in the minds of the committee when it was introduced, that is, that they are in fact saying that unless there is clearly wilful concealment in the sense in which we have been using it generally amongst ourselves they did not assume that it was wilful merely because he failed to disclose. If I am correct in my interpretation of what Mr. Conn's report says, and if I am correct—

Mr. GREEN: You have got to read the whole report.

Mr. MUTCH: I have it in front of me. I wonder how you can accept the first paragraph which you read and then come to the conclusion that it is being interpreted to the disadvantage of the soldier who simply failed to disclose. They categorically state that it is not, and from my understanding of the cases which have come before us I have come, rather surprisingly to me in view of my first impression, to the conclusion that the clause "wilfully concealed" is actually being operated to the advantage of the applicant.

Mr. GREEN: That is just ridiculous.

Mr. MUTCH: If I were to say to you Mr. Green every time I disagree with you that the argument was ridiculous I would not have time to do anything else. That is not rebuttal to an argument.

Mr. GREEN: No, but do you not realize that this proviso takes away the rights of the soldier?

Mr. MUTCH: No, I do not.

Mr. GREEN: I am asking that one part of the proviso be struck out.

Mr. MUTCH: I said a moment ago my first impression was similar to the one which you appear to still hold, and I said when I made that remark that after listening to the Commission that I had come to the conclusion, somewhat surprisingly in view of my former opinion, that it does indeed operate for the protection of the applicant.

Mr. GREEN: The Legion do not think so.

Mr. MUTCH: Possibly that is true, but I do not do my thinking in the name of the Legion. They have not retained me as agent.

Mr. GREEN: Mr. Hale said that the other day.

Mr. MUTCH: I hold the institution in high regard. I have sometimes disagreed with them, and sometimes when I have disagreed with them I have been right.

Mr. BROOKS: I do not wish to say very much on this. As far as the Legion is concerned I do not think that any of us are taking the Legion's recommendations at 100 per cent value.

Mr. MUTCH: Unless we agree.

Mr. BROOKS: But we asked them to come here and we asked them to give evidence, and I am satisfied that men who have studied this far more than any of us ever have, with all due respect to Mr. Mutch, are in a better position to judge. These men make a sort of life work of studying the pension regulations.

As far as "wilfully concealed" I think the facts which were presented to us show that a good many men are losing pensions under section 11 (1-c). According to the statement that we received the total number discharged on medical grounds from the service, theatre of war, was 49,904. If these three provisions were not in there I take it that the 49,904 men would receive a pension, those discharged as medically unfit who had seen service in an actual theatre of war.

The WITNESS: Not so necessarily because the condition may have been ruled a pre-enlistment one, not aggravated, and if there is no aggravation of the pre-enlistment condition obviously there can be no award of pension.

Mr. BROOKS: You are associating it with the pre-enlistment condition. I might speak on that as well, but in any event there were 49,904 men serving in a theatre of war who were discharged as medically unfit. According to our report out of that number 38,712 received a pension. That leaves 11,192 men discharged as medically unfit, serving in a theatre of war, who did not receive a pension. While we say that these men who served in a theatre of war are being treated very liberally nevertheless as the Legion has pointed out 24 per cent of those men have not received a pension. They consider that 24 per cent is too large a percentage for men who served in an actual theatre of war to not receive a pension when they apply for pensions. My contention is that there must be something wrong. We have listened to representations from the Commission. We have listened to statistics but still the fact remains that a very large percentage of men who served in an actual theatre of war are not receiving pensions. The Legion and other servicemen's organizations consider it is too large. If it is wrong something should be done, and it is time that it should be corrected.



The WITNESS: Certain figures have been quoted. I feel it is incumbent upon me to make an observation. The total discharged on medical grounds as at the 31st of December, 1945, was 49,904 who had served in a theatre of war. The Commission at the same date had rendered 47,898 decisions. I observe here it shows that at the end of December the Commission was well abreast of their tremendous responsibility. Of that total of decisions rendered by the Commission, 47,898, 37,712 were granted entitlement. That is 81 per cent of the total decisions rendered. The Legion in the submission of their brief made the observation that the figures quoted, which includes the 24 per cent, were based on earlier figures and were probably subject to correction.

Seven thousand eight hundred and ten were not granted entitlement because the Commission ruled the conditions to be pre-enlistment not aggravated by service. The balance is 1,376 who were not granted entitlement. That was not entirely under the provisions of section 11 of the Act. There is also another section, section 12, which deals with improper conduct and where the law very definitely defines the responsibility of the Commission. Certain claims had to be disallowed. Therefore, of 47,898 decisions rendered by this Commission there were 1,376 who were refused entitlement under the provisions of section 11 and section 12 of the Act, other than those, I admit, that the Commission ruled as being pre-enlistment, not aggravated.

*By Mr. Brooks:*

Would you deal with the matter of assessment? There are complaints that a great many have a much lower assessment than they should have. We have not the figures here, but the assessment was much lower and they were found aggravated instead of full disability.—A. The point raised by Mr. Green—and I am no lawyer—was with regard to the proviso in section 11 (1-c) of the Act which says:—

And further provided that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was wilfully concealed, was obvious or was recorded on medical examination prior to enlistment.

Literally that might be taken to read that no pension should be paid, but I am quite sure that a lawyer would arrive at this, that it means that no pension shall be paid for the pre-enlistment condition that existed at the time of his enlistment, but if there is any worsening of that condition during his service then he is entitled to be compensated.

Mr. GREEN: That is the way it should read.

The WITNESS: That is the way it is interpreted, and under the Act we have full powers of interpretation of the Act. In the cases that I quoted before the committee I picked a number of files, as you remember. I did not select them—2/5th, 3/5th and 4/5ths aggravation were granted.

*By Mr. Green:*

Q. But if it were not for those provisos he would get full disability, would he not?—A. Mr. Chairman and gentlemen: Mention was made of a man who had an amputation. Perhaps this had better be off the record.

(Off the record)

Mr. GREEN: On page 491 of the report of our proceedings Mr. Conn said:—

If he served in a theatre of actual war as defined by the Pension Act irrespective of what his condition was prior to enlistment he gets the whole thing subject to these three limitations.

Mr. BLAIR: Provided there is aggravation.

The WITNESS: I hope I am not giving the impression of arguing. I am speaking as a member of the forces. I have seen thousands of these files and



know several cases where a man has been enlisted with one artificial eye and there is no record on his enlistment form. There are so many pre-enlistment conditions which are stated time and time again by the member of the forces on medical examination during service. I feel it is incumbent upon me as chairman of the Commission to bring these facts to your attention. They are facts. The files are seen every day. It is an amazing record, and not a record that is given by anybody else. The attestation form is very clear, but when the man is ill, as I said once before at this committee, and goes before his medical officer or to the casualty clearing station or base hospital or general hospital these records appear time and time again, pre-enlistment accidents, and so on. I can only bring these facts to your attention, and there are thousands of similar cases. As I have said before, the Commission is responsible for the administration of the Act, and we have to interpret it. You give us the job to do, gentlemen, and all I hope is that we shall do it honestly, fearlessly and faithfully in accordance with the wishes of parliament and the people of the country.

*By Mr. Green:*

Q. You do not suggest there are thousands of wilfully concealed cases?—

A. I made no such statement nor would I ever do so. I did not only suggest; I said that there are thousands of cases of men who during service give this very definite history of pre-enlistment conditions and I say that you must realize that. Are you going to ignore them altogether? That is a question for parliament to decide.

Mr. QUELCH: I find myself generally in accord with the amendment moved by Mr. Green. I do not think there is any doubt that if you take the words "wilfully concealed" out of the Act certain of the veterans are bound to benefit. Mr. Conn mentioned yesterday that if we took those words out they might very well be able to get the veteran under the word "recorded". I am not saying that in any objectionable way at all, "recorded on medical examination". He mentioned they would probably—

The CHAIRMAN: I do not think you should say that any way. I do not think you should say that they are trying to get the veteran. It is their job to administer the Act.

Mr. QUELCH: You interrupted me. You would not be saying what you are saying now if you had let me finish. I said that I was not stating it in any objectionable way.

The CHAIRMAN: I do not think you should say it at all.

Mr. QUELCH: Yesterday he went on to say that if those words were struck out then the Commission would take more trouble to find out whether or not there was a record and in that way they would get certain information they would not seek to get otherwise. That is exactly what I meant, and I think that is certainly a fair interpretation of what Mr. Conn said yesterday, that if the words "wilfully concealed" were struck out then they would go to a greater amount of trouble to find out whether or not that condition had been recorded previously, and if it had been recorded previously then certain deductions could be made from the amount of the pension. If a veteran had had a serious accident or a disease there would be a record of it somewhere, and in all probability the Pension Commission would be able to find that record in which case the words "wilfully concealed" would not be necessary.

I have in mind the case of a soldier who might have suffered a minor accident or a minor disease for which he had received no medical attention and which he did not realize was serious and he enlisted. Later on it might become seriously aggravated. Then the Commission would have to judge whether or not that man was telling the truth when he said he was not aware of that condition before he enlisted. That is the difficult position that the Pension Commission is in. They have to decide whether or not that man is telling the truth. I can

quite well visualize they might make a mistake. In their opinion it must have been obvious that the man had that disability because they are taking it from the medical point of view. I claim there are many laymen who might suffer from a disease and not realize that they had that disease, especially in the case of an ulcer. I think if we strike out the words "wilfully concealed", we are removing a very big headache from the Commission. It will mean, as Mr. Conn stated, that more time will have to be spent in the future in checking up past records to find whether or not that condition had at any time been recorded. If it has not been recorded then the Pension Commission will be bound to pension the full amount of the disability.

*By Mr. Wright:*

Q. I should like to ask the chairman of the Commission if in his opinion the removal of those words would work against any soldier?—A. I find that question very difficult to answer. As the Act is to-day and in the administration of the Act I consider it does not operate to the detriment of any soldier. I have stated to this committee, and I repeat, that the only difficulty we have is the term "wilfully concealed". The veteran does not object in so many cases on the ground of the degree of aggravation but he does object to being told that the condition was wilfully concealed.

Mr. QUELCH: That he was lying, in other words.

Mr. WRIGHT: In other words, removal of that will not be to the detriment of any soldier.

The WITNESS: I do not know.

Mr. WRIGHT: If that is right, I do not see any reason why it should not be removed. As the commission has stated, it is a headache to them in some cases. The removal of it would clarify their position and make it easier for them.

The CHAIRMAN: The question that the committee has to consider is a very simple one. In the case of a man with a pre-enlistment condition that is obvious or recorded, he does not get a pension for it. If he comes out no worse than he went in. But if it is aggravated during service, then he gets a pension for the full disability unless—and there are three exceptions. The three exceptions are if it is obvious, recorded or wilfully concealed. The disability may be very minor when he goes into the army. It may be a very minor disability, and it is aggravated.

Mr. QUELCH: If it was very minor, then the pension would be very minor too.

The CHAIRMAN: Yes. If it was aggravated, then of course he gets the full disability, unless there are three things that happen. If it was obvious, he will get a deduction for whatever the disability was when he went into the army. If it is recorded, that is if he lives in a district where a person goes to the hospital for everything that happens to him, then he will get a deduction for whatever disability he had when he went in the army. The suggestion in Mr. Green's amendment comes down to this, that you will do better by the man who, when he goes in to be examined, wilfully hides something from the doctor, and you will put him in a better position than the man who goes in, we will say, with one false eye or who has actually been in the hospital to the knowledge of the commission.

Mr. QUELCH: Then it is recorded.

The CHAIRMAN: It is recorded then. The question I find great difficulty in understanding is why there should be a desire to put the man who wilfully concealed something from the examining doctor in a better position than the man who goes in there and tells the doctor the truth, whereby they are able to check up and find he was in the hospital some place, who says, "Yes, I have got a glass eye." I must admit I still do not understand that.



Mr. GREEN: It is not your place to raise any objections like this, Mr. Chairman.

Mr. BROOKS: I think those illustrations are ridiculous, Mr. Chairman.

The CHAIRMAN: That is just your opinion.

Mr. BROOKS: I think it is ridiculous to talk about a man with a wooden leg or a glass eye concealing it from half a dozen medical men.

The CHAIRMAN: I did not say he concealed it.

Mr. BROOKS: You were talking about wilful concealment.

The CHAIRMAN: No, I am making a comparison. I am saying this, that if the man goes in with a wooden leg, he certainly will not be pensioned for that wooden leg.

Mr. BROOKS: He would never get in the army.

The CHAIRMAN: Yes, he does get in the army. I myself know a man with an artificial limb who got in the army.

Mr. BROOKS: For a special purpose.

The CHAIRMAN: There is no use saying that they do not get in. They do get in. I know of men with artificial eyes who went in the army. As I understand it, there is no suggestion that they should be pensioned because they have got one eye. If a man goes in with a finger shot off, and it is obvious, there is no suggestion that he should be pensioned for that finger shot off. As I understand it—

Mr. BROOKS: That is not the point.

The CHAIRMAN: If you will just permit me, Mr. Brooks, to continue, I am trying to understand the suggestion made by Mr. Green. He says admittedly you will not pension a man for something that is obvious; admittedly you will not pension it if he says "I was in the hospital", and you can check up and find that he was in the hospital. But suppose he conceals it all; he may have been in the hospital six months with something to do with his stomach, but he does not say anything about it and they never find out that he was in the hospital until some time when he is sick and discloses it. All right. They come along and try to check up and find out the records. If the hospital has kept the records, then of course he will only get pension for his actual disability. But if they go and lose the records or cannot find them, then of course by his saying, "I never suffered from this disability" you are putting the man who conceals this when he goes into the army in a better position than the man who has an obvious defect that the doctor can see or the man they are able to find was actually in the hospital. As I say, I find great difficulty in understanding why there is the desire to put a man who wilfully concealed something in a better position than a man who had something obvious or something recorded.

Mr. GREEN: Just let us stop there, Mr. Chairman. Let us stop right there for a moment. In the first place, as chairman, you have no right to be arguing in that way. If you want to make an argument of that type, let somebody else take the chair, and then go ahead and do it.

The CHAIRMAN: I am asking a question. I said I did not understand it.

Mr. GREEN: But apart from that, you are now doing just what I did not do. You are trying to make the inference that I made my suggestion to help out the fellow who lied.

The CHAIRMAN: I cannot see how it would do otherwise.

Mr. GREEN: There is no such suggestion as that at all; and if you were trying to be fair in your summing up, you would not have said that.

The CHAIRMAN: I do not think it is right for you to say that I was not fair.



Mr. GREEN: I made it absolutely clear when I moved this motion that I did not want to protect a man who had been fraudulent.

The CHAIRMAN: I am asking if you will explain why it would not?

Mr. GREEN: You wait until I am through, Mr. Chairman.

The CHAIRMAN: Yes.

Mr. GREEN: I said that the man who was fraudulent should not get any consideration. I have said that right from the start, when this thing first came up. I have said that the proper way to handle him is under a fraud section. But you overlook that entirely, and you go on and say that anybody who did not say that he had had a condition when he signed up, has wilfully concealed it; in other words, that he is fraudulent.

The CHAIRMAN: I am asking you a question.

Mr. GREEN: I am saying those words "wilfully concealed", on Mr. Conn's admission, are being interpreted as merely "non-disclosure".

The CHAIRMAN: I do not agree that he admitted that.

Mr. GREEN: That was never the intention of the Act; and men should not have to run the gauntlet of being allowed only aggravation when this section allows them full pension or pension for full disability, because of those words "wilfully concealed." Mr. Conn himself said at page 490 the meaning of section 11 (1)(c) is far from clear.

The CHAIRMAN: Let me ask you a question. Suppose a man goes into the army and says he has no disability in any way in regard to a stomach condition. He comes in the army and then shortly after he gets in he finds that he has to report sick and he says, "Yes, I have been suffering from this stomach condition and I actually went into the hospital" and they find he went into a hospital in Toronto. Very well. You take this out of the Act. You find out that it was recorded because he went into a hospital in Toronto. All right. He just gets his actual disability. But suppose he says he went into a hospital, we will say, in one of various points I can think of in Canada, where the hospital has been closed and the records destroyed. All right. They cannot be found. By that very thing you put a man who went into the hospital in Toronto in a much worse position than a man who went into the hospital where the records are not available. What I am asking you is this. I cannot understand why you want to put a man who wilfully concealed something in a better position than the man whose records are available, who tells frankly exactly what happened or has an obvious defect. What you are suggesting, as I understand it, is that it will put a man who wilfully concealed something in a better position than the man who states what was wrong with him, whose records are available or who had an obvious defect. That is what I understand your amendment to mean, and I am asking if it does mean that?

Mr. GREEN: I do not think there is any question of wilful concealment where a man signs up and answers these questions on his enlistment. I got into the army on wilful concealment myself, if that is the way you are going to do it, because I put my hand over the good eye and read through the cracks between the fingers to get by with the other eye. I do not suppose there is one man in a hundred who got into the forces who did not say something of that type, or who could not be caught on those questions.

Some Hon. MEMBERS: Hear, hear.

Mr. GREEN: I am saying these men are not a lot of liars. They are not fraudulent. They enlisted to fight for the country. The section is passed to protect a man who enlisted to fight and who actually got overseas to fight. He is given that preference because he did that. Now we find that there is chiselling in the interpretation of that section, or that the section is not understood. I think the pension commissioners are in a very difficult position

in trying to interpret that Act. You cannot convince me that there were 3,000 liars, which was about the figure given by Mr. Conn, who wrongfully concealed their condition when they joined the forces, in the hope of getting a pension. It just does not make sense. Your argument is entirely against the benefit of the doubt clause, Mr. Chairman, and these men should not be penalized because those words are in the Act.

The CHAIRMAN: Will you just answer this one question, Mr. Green? I want to get clearly what you are suggesting. Are you suggesting that if a man admittedly had a disability when he went in the army, and he wilfully concealed it, that he should be in a better position than a man who had a disability which was obvious or a disability which they can find was recorded, of the same nature?

Mr. GREEN: The difference between you and me, Mr. Chairman, is that I think a far smaller percentage of men wilfully concealed any condition than you do.

Mr. ROSS: Mr. Chairman, I think I will agree that you, as chairman, are rather unfair again. You do this every once in a while. You are a little too keen about this thing. I think you should just act as chairman and not be arguing things one way or the other. As regards the question that you have been raising here, I agree with Mr. Green myself. You cannot have everything airtight. You cannot convince me that for the sake of the one or two chaps whom you may prove fraudulent, you should penalize several thousands of others who were not, just to protect the situation of those one or two. Like Mr. Green, I remember well when I enlisted. A pal of mine enlisted at the same time, and I never will understand how he got in the army. I am just citing this as an example. That same chap, despite his defects, went right into the front line and won a very fine decoration and did a great job too. Many of these other fellows of these thousands were made of the same stuff and had the same intentions. I fail to see where it is fair to penalize those thousands of chaps like that just because there may be one or two fraudulent cases that did get by. I am sure that even if this amendment was carried, the law still would protect you with regard to those odd fraudulent cases. We must be fair about this. From my experience during this war today, the public fail to understand why the government of the day of this country do not recognize the pre-enlistment status. From the figures that have been put on this record, I am sure the chairman will agree with me that if this amendment is put through, it would be of great benefit to those thousands of cases we already have cited. I fail to see why there is such a strong argument against this amendment.

Mr. LENNARD: Mr. Chairman, I am getting sick and tired of sitting here hour after hour and listening to the repetition of this battle of wits. We are still hearing the same old arguments every day we come in here. Here we are getting it now for about the fifth time this week. Why in the world we cannot cut down this debate and stop this repetition is beyond my powers of comprehension. There is a motion before the committee now. For goodness sake let us vote on it and settle it one way or the other.

Some Hon. MEMBERS: Question.

Mr. JUTRAS: Mr. Chairman, coming back to the motion, if you do not mind, does it really not come down—at least in the way I see it—to an interpretation of the two words “wilfully concealed”? The way I look at it, is it not Mr. Green’s idea that, for lack of a better term than “wilfully concealed”, he wants to cut it out entirely? I fully agree that the fraudulent cases are very few in number. I think it has been demonstrated to us quite clearly by the commission that they consider also that there are few fraudulent cases. But as far as a headache for the commission is concerned, as far as I can see they will still have the same headache whether you cut out the words “wilfully concealed”



or not. They will still have to draw the line between the fraudulent cases and those that are not. But as Mr. Green pointed out on several occasions, instead of deciding it under this "wilfully concealed" clause, he suggests that it be done under a different clause. But the problem of drawing the line between the two will still be the same. I am inclined to agree with the chairman that there might be more loss to the man by removing that clause than by leaving it. The way I look at it, this is a difficult problem, the drawing of the line between the two. But whether you do it there, or do it under another clause, the same commission will have the same problem before them, and they will have to do it. As to the way they have been doing it so far, it has been demonstrated, I think, quite clearly in all the examples pointed out to us yesterday, that they were giving a very broad interpretation to "wilfully concealed", as a matter of fact they were leaning over backwards to give the advantage to the man in every instance.

The other contention of Mr. Green I cannot very well follow. It may be my own shortcoming; I do not know. But the argument that by removing "wilfully concealed" the man would get his full pension and that this clause is depriving him of his full pension, is one that I cannot very well follow; because if the commission rules that this man wilfully concealed a defect or disease before enlistment, then even if the clause of "wilfully concealed" was not there, that man would still be in this position. It must be recorded or it must be obvious that he had had a defect or a disease before he enlisted. If it was wilfully concealed, consequently he must have had it. If he had it, then he is not entitled to full pension. It will be an aggravation. If it is wilfully concealed, there has got to be something that he concealed. And if he concealed it, consequently he had it. If they can prove that it was wilfully concealed, they can certainly prove that he had it.

MR. GREEN: No. They would have to prove it was on record.

MR. JUTRAS: However, that is the point that is a little difficult for me to understand. If it was wilfully concealed then he must have had it. They certainly can prove that he had it. Consequently it would be an aggravation. I cannot see very well where the man would lose very much from that.

Then I come back to my main contention that it is most difficult to draw the line between wilfully concealed, not wilfully concealed, and fraudulent. It all comes down to the question of wording. I do not think that we can possibly find any words in the English language that will be clear enough, so that the line will be drawn very clearly. The commission so far, as far as I can see and from all the examples that were given, has done a wonderful job and a very satisfactory job for the men and for everybody concerned. As far as I am concerned, I think they have interpreted that "wilfully concealed" as broadly and as fairly as you can possibly do it. No matter what you say, whether you cut out "wilfully concealed" and put in another section of the Act in black characters or underline another section, I do not think you are going to help the matter. You are going to complicate the situation even more, because you are going to force the commission to revise their standards and establish a new set of rules in the commission. I venture to say we might as well leave it the way it is.

MR. PEARKES: Mr. Chairman, I have been playing the part of a rather silent and bored audience during this long, verbose debate between a bunch of lawyers. While I have been doing that, I have been asking myself "Why should a man want to wilfully conceal some disability that he had?" And the answer I give myself is, "In order to go and fight for his country." If that is the case, for goodness sake give him the benefit of the doubt.

Some Hon. MEMBERS: Question.



Mr. WINTERS: Mr. Chairman, I should like to say just a word on this. I am one of those who had no decided opinion one way or the other. I do not think that I want to feel that I am in the position Mr. Lennard would like to put us in. I have been sitting here listening, and I have had a lot of good, free legal advice in this committee, and I appreciate it. I must say I have enjoyed it.

Mr. LENNARD: I said "repetition".

Mr. WINTERS: I do not believe we should force the question before we see all sides of it. Personally, I have got a lot of good out of what Mr. Green said this morning. I think he summed it up very well. I think the chairman took the other side and took it very well. My own personal feeling on this matter of wilful concealment is that it certainly can be abused. I know that when one is being medically examined for the army, the doctor asks you a lot of questions, and if you attempt to get into some line of disability, he will discourage you from stating it anyhow. For example, I have a minor disability, as I am sure we all have. I have a joint injury. I used to try to be fair about this thing and tell the doctors what it was, and I found they were not the slightest bit interested in it. They just say, "Oh, nothing at all wrong there." I found they take a negative attitude and they say, "Nothing wrong with hearing, nothing wrong with eyes," and record it in that way. So I fully agree that can be badly abused.

Mr. Wright raised the point, I think, that if, by leaving them out, it does not work to the disadvantage of any veteran, he does not think the words "wilfully concealed" should be in. I do not feel that is a particularly good criterion. I think we could put lots of things in this Act that would work to the benefit of the veteran but still might not be in the best interests of the country and the interpretation of the Act. I feel that in the interpretation of the Act itself, it is up to the discretion of the commission. That is why the commission is there. In interpretation such as this, as in a general inspection department of an industry, you cannot lay down standards in all cases unless you can apply gauges, if there are colour standards and finish standards and things like that; you have got to have discretionary powers. We have a commission set up for that reason. I think it is doing a good job.

Mr. LENNARD: Question.

Mr. WINTERS: Just a minute.

Mr. LENNARD: All right. Go ahead.

Mr. WINTERS: On the one hand, if we feel this wilful concealment can be abused, we know that some people do take advantage of it to get into the army, you might say on some ulterior motive, although very fortunately they are very few and far between. I feel, however, that on a discretionary matter like this, we should get the best interpretation we can. I have tried to listen to both sides of this case as fairly as I can, and I am certainly of the opinion that the commission is not discriminating against any of these veterans who have got in because of what might be termed wilful concealment. In my own case, if I had come up for a pension, I think they might say I wilfully concealed something. I would be perfectly willing to say that I am not entitled to consideration for what I wilfully concealed. I think that is fair. I think that any veteran would abide by that. My own feeling is that if there is any possibility of discrimination, as the chairman pointed out, or protecting one group under this and discriminating against another unfairly, I would not favour the change suggested. Knowing that the commission is doing such a splendid job in interpreting it and leaning over backward wherever they need to, I would say by all means let us leave it as it is and avoid further confusion.

Mr. BAKER: Mr. Chairman, I spoke on this the other day, and I do not waste very much time here as a rule. There was one of the questions that I made faulty answer to, possibly due to poor eyesight, when I entered the army. I had an attack of kidney trouble. If I had suffered as a result of kidney trouble when I was overseas, I would not expect a pension; certainly no more than aggravation. I know it is not very popular, but I really think that, if we strike this clause out of the Act, we are doing a very dangerous thing. We have got the veteran to consider. We have got the public to consider. I do know of a very valuable N.C.O. I had, and he had only one eye that functioned. He wanted to get in. He was very happy to get in. He was never going to make a claim for pension for that eye which he had lost in civil life. As a matter of fact, he had served in a previous war and he had the M.M. But he lost his eye during occupation. Now, if we take this clause out I am sure we are going to work against the best interests of the veteran. I do not like these inferences about the Pension Commission chiselling; I think it is a most unfair accusation; and I wish that such remarks would not be made. I again state that I will certainly vote to have this clause retained in the Act. Some may say that I will lose a lot of votes if I ever have to run another election, but I am willing to take that chance because I believe I am doing what is best for the veteran and what is best in the interests of the whole country. After all, it is the general populace who have to pay these taxes and they must be sympathetic to veteran legislation if we want to get anywhere. That is my final conviction.

Mr. CRICKSHANK: For once in my life I haven't said a word all day, but I have listened to my friend Mr. Green, who was a little bit violent, and I listened to you, Mr. Chairman, being a little more violent, but unfortunately I am no wiser than I was when we started. I do not want to vote today because I do not know which side to vote for. If I vote one way now I may be putting myself in jail, so to speak; if I vote another way I may be hurting my friends. These lawyers, including yourself and my friend from Vancouver, talk too much and use a lot of terms that ordinary laymen do not understand. Personally, I do not know which way to vote. I may hurt one veteran if I vote one way, and I may hurt another one if I vote another way. So I say call it 1 o'clock and I will read what Mr. Green has said, Mr. Chairman, and half of what you have said; but I move that we adjourn.

The Committee adjourned to meet Tuesday, May 21, 1946, at 11 o'clock a.m.













Gov. Doc  
Can  
Com  
V

Canada, Veterans Affairs  
Special Committee on, 1946

(SESSION 1946)

(HOUSE OF COMMONS)

CAI  
XC2  
-45171

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

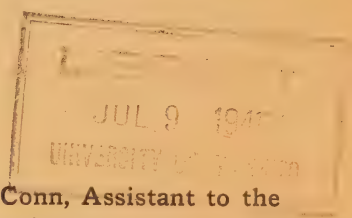
MINUTES OF PROCEEDINGS AND EVIDENCE

No. 19

TUESDAY, MAY 21, 1946

WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the  
Chairman, Canadian Pension Commission.





## MINUTES OF PROCEEDINGS

TUESDAY, May 21, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Adamson, Archibald, Baker, Belzile, Bentley, Blair, Blanchette, Brooks, Claxton, Cleaver, Cockeram, Croll, Drope, Emmerson, Gibson (*Hamilton West*), Green Harkness, Harris (*Grey-Bruce*), Lapointe, Lennard, Marshall, Mackenzie, MacNaught, McKay, Merritt, Moore, Mutch, Robinson (*Bruce*), Ross (*Souris*), Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Winkler, Winters, Wright.

*In attendance:* Mr. J. L. Melville, Chairman, and Mr. H. A. Conn, Assistant to the Chairman, Canadian Pension Commission.

Discussion was resumed of Mr. Green's motion that the Committee recommend that paragraph (c) of subsection (1) of section 11 of the Pension Act be amended by deleting the words *was wilfully concealed* in line 14 thereof.

Mr. Conn was recalled, heard and questioned.

The question having been put on Mr. Green's motion, it was resolved in the affirmative.

Mr. Brooks moved that the Committee recommend that the Pension Act be amended to provide that, after a secondary medical examination held six months or later after enlistment, any disability occurring thereafter should be considered as having been incurred during service and attributable thereto.

And the question having been put, it was resolved in the negative.

Mr. Bentley drew the attention of the Committee to certain charges of irregularities in the administration of the Soldier Settlement Act made by Mr. Tom L. Poulson.

After discussion, it was agreed that Mr. Poulson's charges be referred to the Steering Committee for consideration at its next meeting.

The Committee proceeded to consideration of the draft of a proposed bill to amend the Pension Act.

Clause I and paragraphs (i) and (ii) of clause II were adopted without amendment.

At 1.00 o'clock, p.m. the Committee adjourned until Thursday, May 23, at 11.00 o'clock a.m.

A. L. BURGESS,

*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 21, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Mr. Conn has today that specific case that it was desired we should have before us, with the actual documents. Also I am going to ask him to put on the record the case which the commission regards as their guiding case with regard to the construction of "wilful concealment." I would ask Mr. Conn to speak.

**Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission, called.**

The WITNESS: Mr. Chairman, Mr. Minister and gentlemen, I have got the file here with reference to the case to which Mr. Green drew special attention at the last meeting of this committee. I have all this man's documents and I have had them reviewed in order to have a complete precis for the information of the committee.

If I may be permitted to say so, this is an ideal case to illustrate the various factors which must be taken into consideration when the Canadian Pension Commission is called upon to interpret and apply the "wilfully concealed" principle under section 11 (1) (c) of the Pension Act. You may recollect that on a previous appearance before this committee I drew to the attention of the members that the questionnaires in respect to pre-enlistment disabilities were slightly different in the army and the air force, and drastically different in the navy. I would also like to point out to the committee that the commission is called upon to adjudicate upon claims with respect not only to male members of the forces but also with respect to female members of the forces.

You will recollect that the navy was the only service where the attestation form made any specific reference to the question of urine. It is of the utmost importance when applying the "wilfully concealed" principle, or indeed any other principle under the Pension Act, that every member of the three services should be treated exactly alike. Uniformity of decision is the basis of all justice.

The case before you now is one involving the retention of urine. I think the diagnosis on the record is stricture or traumatic stricture, but the real disability is the retention of urine. This man served in the army. On enlistment he was asked, "Have you ever suffered from kidney or bladder disease?" This is the only reference to the genito-urinary system in that questionnaire. That is the army questionnaire. I would like to point out that this is not a specific question in regard to urine, although it does deal with the genito-urinary system.

The history given by this man himself definitely establishes that 10 or 12 years prior to his enlistment in the army he was injured by a kick in the groin from a horse. He was in hospital for one month following this accident and on three occasions prior to joining the army suffered an acute retention of urine

which required catheterization. I especially draw your attention to that point. He gave a history that at the time he sustained the kick in the groin he had passed blood from the urethra.

I am advised that there is absolutely no question but that this stricture, for the aggravation of which this man holds entitlement—an entitlement of one-fifth—is definitely the result of this pre-enlistment accident.

I would like to draw to the attention of this committee that the commission does not make a finding of "wilful concealment" in cases of vague or indefinite symptoms of some stomach distress, or vague histories of colds and coughs in upper respiratory matters. We do not make a ruling of "wilful concealment" on vague symptoms, where a man possibly has had something that disagreed with him—and he has had to take a little soda and one thing or another like that—that may have caused some pre-enlistment upset of a gastric nature. In those cases we do not make a ruling of wilful concealment. But in this case here, this case we have now under consideration, we know definitely that this soldier's pre-enlistment accident was the cause of this disability, and that it was the sole cause of the stricture from which he is at present suffering. He received extensive treatment for this condition during service with the result that he had no assessable degree of disability at the time of discharge. This is quite important. The commission awarded a one-fifth degree of aggravation which carried extensive benefits under the Pension Act, not only from the pension standpoint but from the standpoint of war veterans' allowance and other factors.

This type of case aptly illustrates the danger of defining in precise and definite terms "wilfully concealed." There is the danger, and a very real danger it is, that the particular case which should come within the scope of this "limitation" may escape entirely under the definition, if you put a definite definition in there; whereas cases in which the commission are inclined to and do give the benefit of the doubt, may possibly come within the scope of whatever definition you gentlemen may decide to lay down.

There is one other thing I would like to point out, and it is this. Every decision of the commission is scrutinized by at least a score of competent people. In the first place, it comes under the eye of the headquarters of the veterans' bureau, with all their staff. It goes to the man himself. It may be referred to the district pension advocate in the district office, or to the service bureau of the Canadian Legion. All these people are interested. All these people may scrutinize every decision of the Canadian Pension Commission to find some flaw or some way that they can help the soldier; and I can assure you that if they do find anything, they do not hesitate to bring it to the attention of the commission. The mere fact that, in this case that we are now going to study, this man received that decision, that all those organizations are aware of it and that nobody took further action, would indicate to me that the man is very well satisfied.

In addition to the review, I would just like to call to the attention of you gentlemen that every decision of the commission involving the expenditure of money is, of course, subject to audit. When the commission decides that a condition is pre-enlistment, wilfully concealed, aggravated two-fifths, three-fifths or four-fifths as the case may be, there is no difficulty in explaining that degree of aggravation. There has been definite progression shown on the man's record and there would be medical evidence there to support our decision. But we are not in quite such a happy position with the one-fifth aggravation. For instance, in the case under review, this man is discharged with no disability and still we award a one-fifth aggravation, with the results to which I have referred. It is a little more difficult to justify that, but we justify it under the benefit of the doubt and other evidence. I think that will do for that.



*By Mr. Green:*

Q. Mr. Conn, in that case, on what basis did you find wilful concealment?—A. Well, I have got it all here. But to answer your point directly, we know that this man had a serious accident which resulted in a stricture which grows and seals off the urine entirely. We know that at the time of this injury he had passed blood from the urethra. We know that periodically he has got to have medical attention to relieve this very distressing condition. I am glad you asked that, Mr. Green, because that is a definitely pre-enlistment condition. There is nothing vague about it. There is no question about taking a little soda to relieve a few gastric pains, or something like that. We know definitely that this man had that accident.

Q. I know; but in order to conceal something, you have got to do something. The man has to do something. What do you say that he did in that case amounted to wilful concealment?—A. He denied it. You will recall in the army that the questionnaire asked, for instance—I think the questionnaire is as to gastro-intestinal disease.

*By Mr. Croll:*

Q. Let us see the application. You have it here. Let us have a look at it—A. I am talking about the questionnaire. In the questionnaire it mentions gastro-intestinal disease. That covers the digestive system. Kidney and bladder disease, that covers the genito-urinary system.

Mr. BLAIR: No, not in this case.

The WITNESS: In this case, this man was asked "Have you ever suffered from kidney or bladder disease?"

*By Mr. Croll:*

Q. Is that on his attestation form?—A. Yes.

Q. Let us see it.

*By Mr. Green:*

Q. If I might get that point clear, you ruled that he had wilfully concealed a condition because to the question "Have you ever suffered from kidney or bladder disease?" he answered "no".—A. Well, that is one of the reasons. But we know definitely that he had it.

Mr. BLAIR: Suppose we admit that.

*By Mr. Green:*

Q. Were there any other questions that he answered that made him come under that ruling?—A. That specifically would tie up with that condition, no.

The CHAIRMAN: Have you got his attestation form, Brigadier Melville?

Brigadier MELVILLE: Yes.

*By Mr. Brooks:*

Q. If you had not had "wilfully concealed" in that section at all, would that other exception "recorded on his documents" have been effective? Could you have used that as well as "wilfully concealed"?—A. It is quite possible. But you see what that would entail. There is a history from this man that he was in hospital for a month, but we do not know what hospital. We have no idea. He does not give that. He says he was in hospital for a month, that he passed blood from the urethra and that previously he had required medical treatment on three occasions in the way of catheterization. But we have not got the name of the hospital.

*By the Chairman:*

Q. Just following that up, Commissioner Conn: if you were driven to get the actual history records and have them all right out there in front of you, it might have been a good deal more difficult for you to find a one-fifth aggravation. Is that not so?—A. That is the point I am trying to emphasize. This gentleman considers himself very fortunate. This soldier considers himself very fortunate. He has made no effort to reopen this case. If this case is reopened, he understands and you understand that the whole subject matter will be viewed and we might, on more careful review, have a great deal of difficulty in finding that it was any aggravation.

Q. There is one other point. If you actually went to the extent of getting those history documents and so on, and they were then to become part of the file, and if the Auditor General undertakes to look over one of these cases.—do they look over all the documents?—A. These cases?

Q. Yes.—A. Oh, definitely. But may I just say one word in regard to the Auditor General. The Canadian Pension Commission is not intimidated by the Auditor General and never has been. As a matter of fact, I presume it is their duty to review these files, but they do not deliver an ultimatum to the commission in any form. The Auditor General's office merely asks for a review in the light of certain matters that they call to the commission's attention. I should like to make that clear.

Q. By law, you have the final right to award.—A. By law, we have complete jurisdiction in regard to all matters of pension; and furthermore, under section 5, subsection (3) of the Pension Act we have the final word in the interpretation of any section of the Act.

Hon. Mr. MACKENZIE: A former committee did that.

The WITNESS: Yes.

The CHAIRMAN: Have you got the actual attestation form there, Brigadier Melville?

Brigadier MELVILLE: The attestation form is here.

The CHAIRMAN: We might get the exact words that were used in regard to this particular case.

Brigadier MELVILLE: The attestation form reads: "Have you ever suffered from any of the following diseases?" and he replied to "kidney or bladder disease?" "No." At the end of the series of questions is the signature of the member of the forces.

Mr. GREEN: That finding, in effect, is your whole ground for ruling that the man wilfully concealed?

The WITNESS: Oh, no, Mr. Green. I know. On the attestation record it may be, but I know. I know this man had this injury, just as definitely as though he were in a railway accident and lost a leg. We know that.

*By Mr. Green:*

Q. He might have had an injury and yet not wilfully concealed it?—A. He knew definitely he was having this sort of trouble and he did not mention it when he was examined. These questions are asked by the army, navy or air force, in order to exclude a certain type of individual who is going to cause a great deal of inconvenience and trouble to the services. These questions were asked when he was medically examined by the services on enlistment. They do not want an individual that has got a stricture. This man had to be sent back from Sicily on account of this and other conditions. In regard to this case right here, for instance, we have ruled I think in regard to sinusitis, or something like that, that it was incurred during service.

*By Mr. Gibson:*

Q. Is not the question not so much whether you knew, but whether he knew?

—A. Well, he knew.

Q. That is the point, is it not?—A. Yes.

*By Mr. Croll:*

Q. When did the injury occur?—A. We ruled, but he gave the history.

Q. When did the injury occur?—A. The statements vary. One says 1929. The man himself probably was not quite sure of the year. One statement says 1929 and one says 1927. Then on another occasion I think there is a history of 1923. So the exact date is not definitely known.

Q. In any event, it was done years before he made the attestation?—A. Definitely, 10 years.

Q. Yes.—A. That he had been having trouble.

Q. And in between those two periods, was there any record of his having suffered at all?—A. There is his definite history that he required catheterization to relieve this condition, and we know about stricture.

Q. Between 1929 and 1939?—A. Yes.

Q. In what year? Have you any record of that?—A. No. On three occasions, the record establishes. The man gives the case history that he required catheterization on three occasions for retention of urine.

*By Mr. Wright:*

Q. It might quite possibly have been in the year following the accident?—A. Quite possibly. But the stricture is there, and that man will have that stricture as long as he draws breath, and he will require periodic medical attention.

*By the Chairman:*

Q. Have you not got here his statement as to when he had catheterization?—A. No, not the date. The statement is on three occasions.

Q. When he gave evidence, would he not tell you?—A. But he has never given evidence. He never appeared before the commission. He can come any time. We will be glad to see him.

Q. There is his statement that he had to have a catheterization. Have you got that here?—A. The statement would be in the record some place.

Q. We had better get it, because there is no use guessing about this. We should know.—A. This is the third occasion since 1927 that the patient has experienced such a situation. This is acute retention of urine. Catheterization unsuccessful. The opening was closed up entirely by this growth. They took him into hospital when he was in the services, and he has had all kinds of treatment and operations in order to relieve this condition. He is the luckiest man in the world that he got it, because they have it controlled now, they can periodically give this catheterization and relieve this condition, and he will not be bothered very much with it for the rest of his life.

*By Mr. Merritt:*

Q. Would you not consider that case could be treated as one of misrepresentation or the concealment of a material fact?—A. Oh, no.

Q. That would not be concealment of a material fact?—A. Definitely not. That is when pension has been awarded, Mr. Merritt.

Q. I understand that. But I say, do you consider that this case, if a pension had been awarded, could have been treated as one of concealment of a material fact warranting the commission setting aside the award?—A. No. I would not like to say that at all. I do not consider this man has done anything dishonourable.



Q. In other words, you would not say that he had concealed a material fact?—A. I think he concealed a very material fact when he was being accepted into the army, yes. But he is not considering pension at that stage. This man is considering service.

The CHAIRMAN: What section are you referring to, Mr. Merritt?

The WITNESS: Section 59.

Mr. MERRITT: I was just referring to the wording of Section 59 which I think covers this case.

The WITNESS: You will notice that it deals with a case where pension has been awarded.

*By Mr. Merritt:*

Q. You say that section 59 does not refer to concealment of a material fact?—A. On enlistment, no; definitely not. It has not got anything to do with it, in fact. Neither has section 5 (2) anything to do with it. It deals with the awarding of a pension. It has nothing to do with this matter that we are considering now, Mr. Merritt, and I do not consider that this man acted in any way reprehensibly. He did his best to get into the army; but the fact is, and you cannot get away from it, that this man had a pre-enlistment injury which caused this condition. That is the acid fact. He did not disclose that when he came up to be a soldier, and that is very important.

*By Mr. Green:*

Q. You said that the man did nothing dishonourable?—A. No.

Q. You have no blame at all for him?—A. No.

Q. And yet the commission has found—A. I do not consider that he did.

Q. Wait a minute. Yet the commission has found that he wilfully concealed a condition.—A. Yes.

Q. That is exactly what we object to.—A. Yes, he did. He wilfully concealed it, because he knew. You see, you have got to put yourself in the place of this man who is enlisting or trying to enlist, Mr. Green, and what he was thinking about. That is what the commission tries to do. What was he thinking about?

Mr. BROOKS: He was not thinking about a pension, that is sure.

The WITNESS: No, he was not thinking about a pension. He had one object in view, and that was to get into the army and be a soldier. He knew that if he told the examining board that he had this stricture, it was just goodbye. So consequently he did not say anything about it. He did that deliberately and he did that wilfully. There was nothing dishonourable about it.

Mr. BLAIR: Mr. Chairman, this man was not asked on enlistment if he had a stricture. He was asked "Did you ever have kidney or bladder disease?" As I said the other day, if I had been in his position and been anxious to get into the army, I would have done exactly what he did, and I think that he has been well and adequately dealt with. I think he is quite lucky, but he was not asked that question. He was asked if he ever had kidney or bladder disease and he did not have kidney or bladder disease. I admit he has been well dealt with. I think he has been well dealt with, but it was not wilfully concealed. That is a blot on the man's character. He did not conceal that. He was not asked at any time if he had a stricture. Everyone of us has some disability. He was asked on attestation if he ever had kidney or bladder disease and then he rightfully said "No", as everyone of us who were anxious to get in the army would have done.

Mr. CROLL: How do you describe his disease?

Mr. BLAIR: Unfortunately it is not on the list of the diseases asked about on the attestation papers.

Mr. CROLL: Is it asked by the navy?

Mr. BLAIR: I do not know whether it is specified.

Mr. CROLL: How do you describe it in layman's language?

Mr. BLAIR: Well, it was further on than the bladder. There was an obstruction in the urethra. That is in the penis, in the tube leading from the bladder outwards, but my point is as to the description "wilfully concealed". He was not asked that question. He was perfectly within the law in his answer, and I would have done exactly the same thing had I been as anxious as he was to get in the army.

The CHAIRMAN: You say he was well dealt with. Presumably if he were not satisfied he would have appealed it, and then he would have probably lost his pension altogether. I find great difficulty in understanding what fault you find with the Commission in this matter. I understand your attitude that you want the man to get the benefit of the doubt. He certainly got it here, and he is perfectly satisfied or he would have appealed against it. Apparently he was well advised not to appeal against it. Why should we find fault when it has benefited this man so much? That is what I find great difficulty in understanding. I cannot understand it. Can you explain to me why there should be any fault found with this decision when obviously the man himself is satisfied when he did not appeal because he must have been advised that he got as much as he could hope to get? Then why should we find fault with it? That is what I do not understand.

Mr. BLAIR: The point is that there is no fault found with the decision of the Commission, but I do find fault with the expression that he wilfully concealed it because he did not conceal it. That is the point.

The CHAIRMAN: That is the only ground on which he could get this award of one-fifth, and if he was not satisfied with that—

Mr. GREEN: No, he would have got his full disability otherwise.

Mr. BENTLEY: What would have happened to this man had the words "wilfully concealed" never been in the Act?

The CHAIRMAN: That is a question which I do not think is a fair question. It is asking if the law were different what would the Commission have done with that set of facts. How can you tell what the Canadian Pension Commission would have done with that set of facts if they could not have found wilful concealment?

The WITNESS: I can tell you what we would likely have done, but I cannot tell you what the result would be. One of the results would have been that this decision would have been delayed. Last month there were 66,000 files had to be reviewed; 5,000 or 10,000 are circulating every day in commission offices. This decision would have been delayed weeks, and possibly months.

Mr. BENTLEY: Why?

The WITNESS: Because we have that history on the documents that this man was in hospital for one month, but he does not say where. We know the general locality that he was living in, but he might not have been living in that locality at the time of this injury ten or twelve years ago. He might have been at the other end of the country. What we would have done, and what we would have been compelled to do under the Pension Act, is to make the fullest inquiry. We would have to try to find out what hospital that man was in and secure the hospital record, and assuming that the hospital records are in agreement with the history that the man himself gives during service then it would naturally follow that it would be ruled, "Recorded on medical examination prior to enlistment", and unless the condition was shown in his pre-enlistment history as being much more serious he would probably be awarded one-fifth aggravation,

because you will recollect out of 2,666 favourable decisions—that is where some degree of aggravation was conceded—in only 64 cases did the Commission say “No aggravation”.

Mr. BENTLEY: I am not concerned with the Commission. I think the evidence we have heard proves that the Commission have been extremely sympathetic. What I am trying to find out is why some people are so definitely opposed to having these words taken out of the Act. What good is it in there? If you removed it from there, as I believe the Legion recommended—

The CHAIRMAN: There is no suggestion that the Legion recommended it that I can remember.

Mr. BENTLEY: Anyway, it has been recommended here. If it were taken out what difference would it make? What harm would it do the soldier or service man of any kind going into service?

The WITNESS: The Legion did not recommend that this be removed from the Act.

Mr. BENTLEY: That is right; the Legion did not.

The WITNESS: They offered a couple of alternatives, but they never recommended that.

Mr. BENTLEY: I accept that correction. What I am trying to find out is why some of you are so determined not to have this taken out. That is what I should like to know in my own mind.

The CHAIRMAN: I am quite clear in my own mind that the evidence indicates that, but I hesitate to give the two reasons why we should definitely leave it here, because there is some fault found with my making observations on these matters. My study with the Commission of this matter indicates to me that taking it out of the Act will injure at least two people for every one that it will help. That is my honest opinion. I think if you had visited the Commission and had gone over their files with them you would come to the same conclusion. That is my honest opinion. If you take this out then they have to find on these other two bases. If they find that it is wilfully concealed they do not have to examine as to whether the other two conditions exist. If you just leave the two conditions then they are bound by law to look into those other two conditions. If there is a record of previous illness then they are bound by law to see if it was recorded on a previous occasion and, as Commissioner Conn says, as they are bound by law to make that investigation it will hold the matter up for months. In these particular cases when they find the medical records in some hospital it may show that his condition was just as bad before he went in the army as at the time he is applying for a pension, or at the time he left the army, in which event the Pension Commission, no matter how sympathetic they were, could not possibly give him more than one-fifth aggravation, and when you try to get the medical documents in every case I submit that for one person you will help you will hurt two. That is clear to me.

Mr. GREEN: You mean on the basis that the Commission are awarding a disability that does not exist now?

The CHAIRMAN: They are awarding aggravation when there might be a grave doubt, but they are giving the man the benefit of the doubt. If you got the medical documents there would be no doubt left. That is the whole point.

Mr. MERRITT: What you mean is they are holding a telescope to their blind eye. Is that it?

The CHAIRMAN: Anyway, I think it is very significant, too, that the Legion, who are studying these matters and applying their experience to them, have not asked for it.



Mr. GREEN: Mr. Hale said the other day they would like to get it very much.

The CHAIRMAN: Well, I am doubtful.

Mr. CROLL: He said something about looking a gift horse in the mouth.

The CHAIRMAN: He was assuming it was a gift, but I am afraid there would not be very much value to it when they got it. That is my suggestion.

Mr. BENTLEY: When Mr. Hale was here on behalf of the Legion he did make the statement—I think it is on the record and we can find it if we look for it—that the Legion would be very pleased to have that term taken out.

Hon. Mr. MACKENZIE: Was that not modified afterwards by Mr. Hale? I thought it was.

Mr. BENTLEY: I do not remember him qualifying it.

The CHAIRMAN: He made it very plain he was not speaking on behalf of the Legion because he has no right to go beyond their submission except on his own personal responsibility. I suggest to complete the record now that we get the key decision of the Commission where they differentiate as to wilfully concealed and lay down the basis on which they act. Then we will have all the facts before us. I do not think we have got that key decision yet. Have you got that here, Mr. Conn? The reason I am asking for it is that you will remember when the matter came up the first question was whether the Commission was giving any effect to the words "wilfully concealed," and we all felt they should give effect to those words. There were some who thought that maybe they were not. I spent some time with the Commission and asked them to produce the actual key decision on which they endeavoured to operate. That is the one that I am asking to be presented now to the committee as it was presented to me. If you have it, Mr. Conn, I think it would be helpful to the committee.

The WITNESS: I am not sure whether it is exactly accurate to call this the key decision because at a previous meeting I think I explained that we do not make written interpretations of any section of the Pension Act unless called upon. Every decision that is made by the Commission, and every application that comes before the Commission is considered on the facts as contained in the record and every decision is a key decision.

As to this decision to which the chairman has drawn attention this case has been going on for some years, and the Auditor General drew to the attention of the Commission their interpretation of this wilfully concealed principle in this case. That happened around 1940, and at that time I thought it would be better to review the entire situation in order that this subject should not keep cropping up periodically. I think I also mentioned that the Commission's idea on all these questions can be changed as the circumstances of service and things of that nature develop. Would you like me to read this entire decision?

The CHAIRMAN: Yes.

The WITNESS: This is the disability under consideration. There are two of them, heart block with hypertrophy and bronchitis. A decision of the Commission dated the 24th of October, 1936, reads as follows:—

1. Heart block with cardiac hypertrophy.
2. Bronchitis.

1 and 2. This man had two periods of service. First from August, 1915 in Canada and England. His medical board records bronchitis, influenza and weak heart. His medical board 227, dated the 22nd of September, 1916, states functional neurosis, old endocarditis and old T.B. lesion; origin of all three prior to enlistment; with reference to any aggravation on service patient states he was much the same as at present previous to enlistment. He was discharged in October, 1916, medically unfit.

Second enlistment in February, 1917. Served in France. Stated he had pleurisy in December, 1915. In 1918 he complained of shortness of breath. Discharged September, 1919.

Mr. COCKERAM: Is that 1919 or 1918?

The WITNESS: The first of September, 1919. He had two periods of service, the first one in Canada and England. He came back to Canada and was discharged. He re-enlisted in Canada and got to France.

Application for pension was made on the 14th of July, 1936. On examination he was found to be seriously disabled. There can be little doubt but that there was progression in this case during his second service which consisted of over two and one-half years. The condition was not obvious on enlistment and it was not wilfully concealed as the applicant informed the medical board that he had had a previous service.

Pension for pre-enlistment condition, not obvious, aggravated during service France. Pension from date of application, July, 1936.

Following this decision this man's pensionable disability was assessed at 80 per cent and pension was paid at the rate from the date of application, July, 1936, on the basis of a single man, the additional allowance for his wife and children not being authorized in view of the fact that the pensioner did not establish the legality of his various marriages.

In April, 1937, additional pension for his wife was awarded.

He was re-examined in May, 1939, and it was then that his pensionable disability was increased to 100 per cent, his total monthly rate of pension, including additional allowances for his wife and two children being \$127 per month.

On the 23rd of December, 1940, the Commission was requested by the Auditor General—and I emphasize the word "requested"—to reconsider the entitlement "not obvious, aggravated, France", on the grounds that this man's pensionable disabilities had their origin prior to first enlistment—that is both the bronchitis and the heart condition—which was restricted to Canada and England, and that his pensionable disabilities are those which occasioned his first discharge in 1916.

You get the observation of the Auditor General. He was discharged out of the service on account of those two conditions.

Following up the receipt of this request the Commission on the 31st day of December, 1940, ruled as follows:—

Attention has been drawn by the office of the Auditor General, in a letter dated the 23rd of December, 1940, to this ex-soldier's entitlement. This man had two periods of service. He first enlisted in August, 1915, served in Canada and England only, and the medical service documents established that the heart and bronchial conditions were of pre-enlistment origin and were so recorded.

He re-enlisted in February, 1917, served in France and was discharged in September, 1919.

The C.P.C. in October, 1936, granted entitlement for a not obvious, aggravated condition. This would appear to be in error. In view of the record on his first period of service which was not in a theatre of war, he should be pensioned for a heart block with hypertrophy and bronchitis as pre-enlistment, noted on his first period of service, aggravated three-fifths, service in France.

As this would be a change in the basis of entitlement, man should be given an opportunity of a hearing before any change is effected.

An Appeal Board hearing followed this decision, and on the 21st of March, 1941, the Appeal Board ruled, "heart block with hypertrophy and bronchitis—pre-enlistment, obvious, aggravated France."



On the 28th of April, 1941, a letter was received from the Chief Pensions Officer, Canada Legion, pointing out that on the 15th day of March, 1941, a specific request had been made to the Commission, asking for delay in date of hearing of this case, and while negotiations were still in progress, the Appeal Board of the Commission had proceeded to consider the case and gave judgment. I might add on behalf of the Appeal Board that at the time they heard this case this request was not a matter of record before the Appeal Board.

Following receipt of this protest an Appeal Board of the Commission under date of the 29th day of April, 1941, cancelled the decision of the Appeal Board of the Commission dated March 21, 1941, and re-instated the former ruling of the Commission (1. Heart block with hypertrophy—pre-enlistment, not obvious, aggravated, France and 2. Bronchitis—pre-enlistment, not obvious, aggravated, France), pending further consideration of the case by an Appeal Board of the Commission in the presence of Mr. R. Hale, Chief Pensions Officer, Canadian Legion, and Mr. J. A. MacIsaac, District Pensions Advocate.

In accordance with the directions embodied in this decision, pension was continued at the former rate, pending further consideration by an Appeal Board.

Some doubt appeared to exist as to the legality of that portion of the Appeal Board's decision of the 29th day of April, 1941, which referred the case for further consideration by an Appeal Board of the Commission in the presence of Mr. R. Hale, Chief Pensions Officer of the Canadian Legion, and on the 12th day of January, 1942, an Appeal Board of the Commission, designated by the chairman of the Commission to consider this case, granted leave to the Canadian Pension Commission under Section 57 (4) of the Pension Act to entertain a new application from this applicant in respect of the disability from heart block with hypertrophy and bronchitis.

The effect of this decision is to once again place in the hands of the Commission full and unrestricted power and authority and exclusive jurisdiction to deal with and adjudicate upon all matters and questions relating to his application for pension and constitutes a hearing *de novo* in regard to his claim for entitlement for 1. heart block with hypertrophy; 2. bronchitis. The essential facts of this case, as disclosed by the records, are as follows. This man enlisted on the 23rd of August, 1915, and was discharged on the 7th day of October, 1916, "medically unfit", after service in Canada and England.

At the time of enlistment he was stated to be 18 years of age, and weighed 140 pounds.

Approximately one month after his arrival in England he was admitted to hospital with a condition diagnosed bronchitis influenza, weak heart, scabies and chancreoid. He gave a history of reporting sick two weeks after his arrival in England, with complaints of exhaustion and pain over his heart. These pains came on suddenly. His pulse was stated to be slow, heart enlarged. Systolic murmur aortic area. Further history of weakness at age of 12. First week in England was very wet and was much exposed.

At a medical board of 13 January, 1916, his condition was diagnosed as dyspnoea and exhaustion; origin about November, 1915, at St. Martin's Plains; began suddenly while on parade and had attack of dyspnoea; was compelled to rest and reported sick next morning. Remembers attack like this when 12 years of age. Medical board states that he is highly nervous, and he states that he was always so, and that he was never able to work hard. Recommended discharge as "permanently unfit". He was returned to Canada and had a further medical board at Quebec, 7th April, 1916, which board made a diagnosis of "functional neurosis, not due to but aggravated temporarily by service".

That is 1916. We do not use that term "temporarily" any more.

At this board it is recorded "heart rate remarkably slow—45. This may be the direct cause of dyspnoea and may point to a primary heart condition, possibly heart block—this is the first time that this term "heart block" appears



in the record—or the attacks of dyspnoea and unusual rapidity of respiration may be due entirely to a functional neurosis, which obviously has existed since childhood. There is also an old right apical pulmonary lesion. This explains expectoration of phlegm in mornings, coughing a few mouthfuls of blood and attack of bronchitis. Eight weeks in bed at 12 years of age". He had a long board prior to discharge, which records his disability as—

1. Functional neurosis.
2. Old endocarditis.
3. Old T.B. Lesion.

(Date of origin of all three prior to enlistment).

*By the Chairman:*

Q. That has nothing to do with this?—A. No, nothing to do with this.

Continuing: "This board recommended that he be discharged as 'medically unfit'.

He enlisted the second time 1st February, 1917, and was discharged 1st September, 1919, after serving in France for approximately ten months. At the time of his attestation on the second enlistment he informed the medical board that he had had previous military service in the C.E.F."

"He did not say anything about his heart condition. He did not say anything about his bronchitis. But he did tell the board on attestation that he had previously served in the C.E.F.

"Seven months after his arrival in England he was hospitalized for a condition diagnosed as 'neurasthenia'. At that time he gave a history of being subject to colds as a boy. Stated he had pneumonia at 11 years of age. Caught cold December, 1915, and was admitted to Shorncliffe Military Hospital for pleurisy. He remained there until September, 1916.

In January, 1918, he was treated for bronchitis. He was discharged on short board in September, 1919, and was not considered for pension on discharge.

He first applied for pension in July, 1936, and the procedure followed from that point on has already been touched upon. As already stated, the protest of the Auditor General that the original decision of the commission dated 24 October, 1936, erroneously conceded entitlement for (1) heart block with cardiac hypertrophy, and (2) bronchitis as "not obvious" conditions, aggravated during service, France, was considered by an appeal board of the commission on more than one occasion and by the last decision of an appeal board of the commission on 12 January, 1942, designated by the chairman of the commission to consider this case, leave was granted to the Canadian Pension Commission under section 57 (4) of the Pension Act to entertain an application de novo from this man in regard to his claim for entitlement for (1) heart block with hypertrophy and (2) bronchitis.

At the outset it can be stated that two aspects of the case seem sufficiently clear from the record to dispense with further elaboration:—

1. Both of the conditions claimed for are pre-enlistment in origin.
2. Both conditions were aggravated during service.

Throughout the whole gamut or scope of this case, the attention of the Auditor General and others concerned, appears to have been focused upon the question of whether or not the heart block with hypertrophy and bronchitis, as such, were obvious to an unskilled observer at the time of enlistment. By the terms of the reference the commission was granted leave to entertain a new application from this man in respect of the disability resulting from these conditions and this reference, by necessary implication, requires a full enquiry into all the phases of the application. In view of the facts as already outlined, such an inquiry would be incomplete and unsatisfactory unless the question of "wilful concealment" was already considered and disposed of along with the "not obvious" aspect already queried. In consequence, the commission proposes

to consider and rule upon two specific points, namely, were the conditions which form the bases of this application (1) "obvious" on enlistment, (2) "wilfully concealed" on enlistment.

The facts are as outlined. It is a matter of general knowledge that a large number of men who were physically unfit, were taken into the army for various reasons which seemed adequate at the time. This apparently was especially true in the cases of men with special qualifications and indeed frequently also to bring a battalion up to strength.

The meaning of section 11 (1) (c) is far from clear. This section evidenced an attempt to make special provision in regard to members of the force who had seen service in a theatre of actual war. In the case of one who has served in a theatre of actual war, whose injury or disease, in existence on enlistment has been aggravated, he shall be compensated to the full extent of the disability from time to time, no deduction being made in respect of loss or lessening of the power to will or to do existing at the time of enlistment, unless such loss or lessening was obvious or wilfully concealed.

A reasonable interpretation of this section would permit, in the case of service in a theatre of actual war, a full pension for disability, existing from time to time, aggravated, subject only to deduction to the extent that disability was present and was obvious or was wilfully concealed at the time of enlistment. This interpretation, which would permit pension subject only to deduction in respect of what was obvious or what was wilfully concealed at enlistment, has the sanction of a long course of practice by the Board of Pension Commissioners. As I have intimated, the language of this section is not precise, but I think it is a fair inference that parliament has concurred in that interpretation since it has not by expressed words or necessary implication altered this practice which has been in force for so many years.

In dealing with the first of the two points under consideration, the Act recites that "obvious" means that which would be apparent, clear, plain, evident or manifest to the eye, ear or mind of an unskilled observer on examination.

While from a purely medical standpoint it might be argued that this applicant's disabilities were "obvious" at the time of enlistment, incontrovertible facts are—

1. No heart or chest symptoms were noted on this man's attestation papers.
2. Nor is there any recorded evidence of him suffering from these conditions or associated symptoms until a month after his arrival in England, when it is recorded "the above complaints came on suddenly. First week in England was very wet and was much exposed."

His medical board a month later gave date of origin about November 1915, at St. Martin's Plains.

It is not until April, 1916, eight months subsequent to enlistment, that we have the first tentative diagnosis of heart block and bronchitis.

He was returned to Canada and discharged from the service.

On the second enlistment when questioned, he readily admitted his previous military service in the C.E.F.

How, under circumstances such as these, it can be said that the disability or disabling condition on enlistment would be apparent, clear, plain, evident or manifest to the eye, ear or mind of an unskilled observer on examination is beyond my comprehension. It is quite understood that some of the signs or symptoms of heart block or bronchitis, if present, might be obvious, but to go further and say that, necessarily, that it was also obvious to an unskilled observer that heart block with hypertrophy and associated bronchitis existed or had existed prior to enlistment, is more than I can subscribe to.

I do not think that the legislation intended that any defects should be considered obvious to a layman after having taken advice of an expert, but what it does mean in my opinion, is that it would be obvious to the layman himself



after the examination. In this respect, it is necessary to use one's common knowledge in the manner in which the ordinary, supposedly reasonable man with ordinary powers of ordinary knowledge and observation, would use it. Assuming that I fall into this category, and applying this test to myself, I certainly would not be able to say, from the information at present before me, that it must naturally follow that at the time of his enlistment this man had a disability condition resulting from heart block with hypertrophy and bronchitis. Following along this line of reasoning, I do not think that the commission is justified in concluding, on the facts as before them, that this man's admittedly pre-enlistment disabilities were obvious.

The second point under consideration is, was the disability or disabling condition "wilfully concealed" on enlistment. In this connection it is almost elementary to state that the commission should require some definite evidence of wilful concealment of disease before a finding of "wilful concealment" is made against a soldier. Mere neglect to reveal or non-disclosure, or failure to volunteer information does not, in my opinion, constitute wilful concealment, unless this man was asked at the time of his enlistment if he had had or suffered from a heart condition or bronchitis, and denied the same.

Nor is the fact that he was discharged from the army after his first period of service on account of heart block and bronchitis, wilful concealment on second enlistment, unless at the time of attestation on second enlistment he denied his previous military service. All the essential features of that service are a matter of official record, and as from the date upon which this man informed the proper authorities of that service, it must be held in all fairness, that the Crown had specific notice of all the medical facts contained in the official records of that service of which it was the custodian.

While to some it may appear inequitable that a soldier should be compensated for his entire disability in a case where service was responsible for an aggravation only, this man's application is based upon a definite statutory provision and he is entitled to the benefit of substantive law and the law of evidence which operates in his favour. While it is clear that this man suffered from a heart condition and bronchitis prior to enlistment, the onus is on the commission to establish wilful concealment and the mere fact that it is conceded that the disease pre-existed first enlistment, and that he was discharged from first enlistment on account of these conditions, is not alone sufficient to shift this onus.

The crucial factor in regard to "wilful concealment" in this case is, did the man when questioned on second enlistment, by the examining physician, deny the fact that he had previously served in the C.E.F. in order to enlist for a second time? The record establishes that he did not, but on the contrary he informed the doctor that he had had previous service in the C.E.F. In consequence, it is only reasonable to hold that the Crown had ample and sufficient notice of any disability or disabling condition on account of which this man was discharged from the forces on that occasion. And not having withheld this information with all its implication, there would appear in this case to be no other information so vital, the withholding of which, would constitute wilful concealment under the Act.

The commission has given a great deal of thought and consideration to every phase of this application and is of the opinion that the original decision of the commission of 24th October, 1936, was sound and rules:—

1. Heart block with hypertrophy.
2. Chronic bronchitis.

Pre-enlistment conditions, not obvious, not wilfully concealed, aggravated during service, France.

This man should be pensioned for his entire disability resulting from these conditions. Pension to be adjusted accordingly.



The CHAIRMAN: Thank you, Mr. Conn.

Mr. BENTLEY: Mr. Chairman, I am not a lawyer; neither am I a judge. But as a layman, listening to that, all it proves to me is that the man did not wilfully conceal his disability. It does not prove or give any good reason why the words "wilfully concealed" should not be taken out of the Act.

The CHAIRMAN: The reason why it was presented to the committee was to give the committee an idea of how "wilfully concealed" is construed. There was a suggestion made that it was construed by the commission as failure to disclose, and actually they had to make a final decision of the matter. This man did not disclose his condition but they found that he did not wilfully conceal it because he had told them that he had served before, which made everything available to the authorities.

Mr. BENTLEY: I agree with that.

The CHAIRMAN: And so they gave him full pension. In other words this indicates "wilfully concealed" is much better for the soldier than "failure to disclose".

Mr. GREEN: Oh, it does not prove that at all.

The CHAIRMAN: Let me say this—

Mr. GREEN: You are not here to argue the case, Mr. Chairman.

The CHAIRMAN: Mr. Bentley has asked me a question, Mr. Green; and I say again that it indicates that the words "wilfully concealed" are of more advantage to the soldier here than "failure to disclose".

Mr. BENTLEY: I do not want that in.

The CHAIRMAN: Because if "failure to disclose" was in the section, the ruling must be against the soldier here. That is all. You have asked a question and I have tried to explain the matter.

Mr. BENTLEY: Well, I am not asking for that alternative to be in there. I am making for the reasons why "wilfully concealed" should not be taken out. I am not asking that "failure to disclose" should be put in.

Mr. BLAIR: Mr. Chairman, I do not like the expression here. I do not think these cases prove what we are trying to get at. To me "wilfully concealed" smacks of nothing more or less than a man committing perjury in mild terms; and if I were the man I would resent being accused of that. I think "failed to disclose" covers everything that is necessary in the Act. I do not like the expression "wilfully concealed". To me it means perjury, so far as the man is concerned.

Mr. LENNARD: Mr. Chairman, are you going to put the question?

The CHAIRMAN: I have a motion, gentlemen, by Mr. Green. It is moved that the committee recommends that paragraph (c), subsection (1) of section 11 of the Pension Act be amended by deleting the words "was wilfully concealed" in line 14 thereof. The subsection then would read:—

No deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during the great war or during the war with the German Reich, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforesad wars; provided that service by a member of the forces in a theatre of actual war may only be counted for the purposes of this paragraph when it has been rendered in the particular war with reference to service in which pension has been awarded; and further provided that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was obvious or was recorded on medical examination prior to enlistment.

"Wilfully concealed" is left out.

Mr. CROLL: Mr. Chairman, may I just say a word here? I rather agree with what Dr. Blair said a moment ago about the words "wilfully concealed" and I think I objected to that feature when it first came up. But I am impressed by what is being done by the commission, from the point of view of the soldier. I can think of two or three cases at the moment of men who will not stand up very well if we apply to them the words "obvious or recorded on medical examination." I think that if the commission take the view that they are to thoroughly investigate every applicant for pension, they are likely to find a great number of things that do not disclose themselves in the ordinary course of events. What the commission is doing in this case is that, rather than go to the trouble, if we might say so, of looking for difficulties, they deal with it, as has already been said here, fairly. I think that the interpretation of the Act is broad and that the application of it is fair. As Mr. Merritt has said, they turn a blind eye to a great number of things that might appear. You have dealt with a great number of pension cases, and I think it would be dangerous not to give them some words upon which they can fall back, although the words smack badly, in my opinion, and other words might have been used; but they are there now, and I think in their application they are not at all being construed as criminal. They are not at all being construed as fraudulent. On the other hand, the man is gaining the benefit to the extent of hospitalization and medical services which he might not otherwise obtain. I am impressed by the administration more than I am by the words, and for that reason I think it is dangerous to delete these words at this particular time, in view of the fact that the benefit seems to be in favour of the men. It may be that the administration is a very helpful one. I think it is. But I think we will ourselves put a limit on when we start making it in each case what was "obvious or recorded on medical examination"; and that does not mean medical examination in the army, that means any medical examination. They may go back 10 or 15 years and find a lot of things that would hurt the soldier.

Mr. GREEN: That is a wrong interpretation.

Mr. CROLL: That is what they tell us.

The WITNESS: Definitely; examination prior to enlistment.

Mr. CROLL: Yes. They may very well investigate my application by going to the city of Windsor and finding out from the hospitals if I had ever been in one; whereas, on the other hand, I say to them, "No" and they take my word for it.

Mr. GREEN: They have no right to do that either.

Mr. CROLL: He says they do.

Mr. GREEN: I know they do it.

Mr. CROLL: All right. Many times they do things which they may not have any right to do. But if they start doing that, the first thing we know we will be hearing that the commission has a Gestapo up there. They are not doing that. I have never heard complaints. They take a man's word for it. I think it is rather dangerous to delete these words in view of their interpretation by the commission.

Some Hon. MEMBERS: Question.

The CHAIRMAN: All those in favour of the motion made by Mr. Green please say aye.

In my opinion the naves have it.

Some Hon. MEMBERS: No.

The CHAIRMAN: You want a show of hands? Those in favour of the motion will please raise their hands. Do you want a recorded vote?

Mr. CROLL: No. You take it.

The CHAIRMAN: Do you want a recorded vote?

Some Hon. MEMBERS: No.

The CHAIRMAN: All right. Raise your hands. There is no need to stand. All those for the motion please raise their hands.

The CLERK: Eighteen.

The CHAIRMAN: Those against the motion please raise their hands. Do you want to vote, Mr. Mackenzie?

Hon. Mr. MACKENZIE: Mr. Chairman, I just want to make one brief statement. As deeply as I appreciate the cooperation we have always had in this committee, government policy will be announced in due course to the House in all these things, and we will be compelled to govern ourselves accordingly. We have no other alternative. I do not want to speak during the course of the vote. It would be wrong to do so, but I should have liked to say something before.

The CHAIRMAN: Then you do not vote.

The CLERK: There are 16 against.

The CHAIRMAN: Then the motion is carried, 18 to 16.

May we proceed to consideration of the bill?

Mr. BROOKS: As we are discussing section 11(1-c) I should like to move a motion regarding the same section so that it may be dealt with at this time. I make the following motion, that the Pension Act be amended to provide that after a secondary medical examination held six months or later after enlistment any disability occurring thereafter should be considered as having been incurred during service and attributable thereto. I make that motion.

Mr. MUTCH: Does not the deletion of this qualification immediately produce a new situation? We have got a whole new situation.

The CHAIRMAN: What section do you wish to amend, Mr. Brooks? I am not clear.

Mr. CROLL: Section 11(1-c).

Mr. BROOKS: I was just moving a general principle. That is all. It applies to section 11(1-c).

Hon. Mr. MACKENZIE: I have got to go to a council meeting and I should like to say a few words before I go. In regard to general policy if there are any further financial obligations with which the administration of the day may not agree I shall be compelled as the responsible minister to introduce the necessary legislation in the House of Commons and refer it back to this committee, retaining the essential principle of financial control.

Mr. GILLIS: Am I to understand that you are going to reverse the procedure of the committee? I quite understand why you are doing it. I know that in the final analysis you have the responsibility, but do I understand from your statement now that you will take all of the legislation that the government consider necessary at this time and introduce it in the House first?

Hon. Mr. MACKENZIE: And refer it back here. Until last year that was always the practice. The responsible minister of the day introduces in the House of Commons a bill which is amended, improved, extended and enlarged with the government of the day retaining the essential principle of financial control. From now on if such principles are to be advocated here I must take the decision as the responsible minister that I shall introduce the measure into the House of Commons, and refer it back to this committee for their recommendations, retaining the principle of financial control.

Mr. GILLIS: In effect that means that the committee can cease meeting until such time as this legislation is introduced in the House?



Hon. Mr. MACKENZIE: No, there are two or three measures before the House of Commons now, and there will be more. You remember the Pension Bill of 1941 which was introduced in a very unsatisfactory stage by myself in the House. Tremendous improvements were made on that by this committee, and that can apply to every single measure. The responsibility of the government must be maintained no matter if it is your party or Mr. Green's party or whatever party. It must be maintained, and as far as I am concerned it is going to be maintained.

Mr. GREEN: I do not understand what the minister means by that statement. Take, for example, the Pension Act. Is it the proposal now to withdraw the draft bill from this committee and then bring in a bill to the House and refer that to the committee?

Hon. Mr. MACKENZIE: Not necessarily, but if this committee in its wisdom—and I am not criticizing them at all—recommends certain things which the administration feel they cannot accept I as the responsible minister must be responsible for introducing into the House of Commons such measures as we deem it wise and prudent to accept at this time, welcoming all the time the co-operation of the committee in regard to constructive suggestions.

Mr. GREEN: There is this further point. I understood from the chairman the other day that if a bill is given second reading in the House and is referred here he will rule out of order any amendment that may involve the expenditure of money.

Hon. Mr. MACKENZIE: Not necessarily.

Mr. GREEN: If he is going to do that it just ties the hands of this committee. I would hope there is no such intention.

Hon. Mr. MACKENZIE: Not necessarily. I must take the responsibility when a bill is referred in the House of Commons to this committee and in the light of the wisdom of my colleagues and myself informing this committee in a helpful way as to what the decision of the government will be. I think many recommendations and helpful representations of the committee can and will be accepted.

Mr. Mutch: Does it not just amount to this? What the minister is saying is that there are two lines of procedure. We may be given a draft bill such as we have before us now. I take it that he is serving notice, which to me is understandable, that if we amend draft bills materially in such a way as to increase the expenditure greatly he is reserving on his responsibility the right to disregard those recommendations. Presumably at the moment a draft bill is one of two things or possibly both of them. It indicates how far he is prepared to go at the moment and it gives us an opportunity to say "you are going too far, you are not going far enough". I think that rather than being an ultimatum it is an appeal to the responsibility of the committee to consider what our powers are. We have been given extraordinary leeway in this committee in parliamentary practice, and up to now our recommendations have been almost unanimously accepted.

I think it is not anything more than an appeal to the responsibility of the committee to proceed, bearing in mind that the mere fact that we recommend something does not impel the administration to do it if we begin, shall I say, to make widespread recommendations in this committee involving the expenditure of money. In order that the committee itself should not become futile or the minister look ridiculous the business-like practice would be to revert to what was done formerly. I think we should realize that we have to be an advisory body and that we should not try to be too completely a legislative body.

Mr. GREEN: That is all we have been so far.

Hon. Mr. MACKENZIE: Mr. Green, you and your various colleagues improved the 1941 bill tremendously here. As it was introduced by the government it was a very unsatisfactory bill. You remember it was improved very tremendously here.

Mr. GREEN: That is all we are trying to do now. Apparently this little statement has arisen as a result of the vote this morning, but those of us who supported that motion did so because we feel, and feel very deeply, that those words are not proper words in the Act. While the government perhaps was against us I do suggest, and I do hope that the minister will give the most careful consideration to having those words struck out. If he thinks that the fraud section should be extended to cover the crooked case why, of course, that is what I asked at the start, but I do not think it is quite right to attempt now to blow us down because of that vote. I hope that is not what the minister is trying to do. I do not think he is. We are still trying to get the best legislation we can for the veterans.

Hon. Mr. MACKENZIE: May I say in two words that I want to maintain and retain this most valuable co-operation, but I must insist on retaining ministerial control.

Mr. Mutch: The motion this morning is clearly one that does not come within this. It is a matter of policy. I do not think it could be held that it involves any considerable expenditure at all. It is clearly a matter of principle. There is a division of opinion in this committee as to whether we would help the man who needs help by leaving those words in there which are being generously interpreted, by common consent, or whether we should take them out and take a chance on something else.

Mr. GREEN: I do not think they are being generously interpreted. They are being very rigidly interpreted.

Mr. Mutch: I was patient with you, Mr. Green.

The CHAIRMAN: Mr. Mutch is entitled to his own opinion.

Mr. GREEN: He says that we agree that they are being generously interpreted. I am not.

The CHAIRMAN: He was of that opinion.

Mr. Mutch: I have a loud voice and a certain amount of determination, and with your permission I will conclude what I have to say. I do not like the suggestion implied in Mr. Green's statement as one of those who voted against the motion. I voted against it not because it was a matter of policy respecting anybody else but because I am convinced in my judgment that it may be wrong. I believe that we are getting a fair deal for these people under the present legislation, and no one has been able to tell me whether they would be as well off if we accepted your amendment. For that reason, and out of consideration not for the government, not for expenditure, but for the man himself, I opposed it. I do not profess to know all about it, but on what we have heard I thought it was more dangerous and therefore I did not vote for it. It is not a matter of policy at all. It is a matter of common sense. Our opinions differ, and it is not the first time.

Mr. BENTLEY: Can I change the subject matter now? I do not think we can do much more about that. I have two questions I should like to ask before the minister leaves. He does not need to answer now. The first question is when a veteran with overseas service and who was married overseas has returned to Canada and is discharged and his wife is yet overseas does his wife receive the separation allowance until she reaches him in Canada? I do not think that is for the Pension Commission. I do not care who answers it.

Brigadier MELVILLE: The parliamentary assistant to the Minister of National Defence is here. Perhaps he would answer.

Mr. LAPOINTE: My understanding is that she just gets the dependant's allowance up to the time she leaves for Canada. I believe it is stopped on the day she gets on the ship overseas.

Mr. BENTLEY: My second question is if a service man who has been discharged in Canada is unemployed in Canada and is receiving out of work benefits does he receive the married allowance with additional allowances for children as well as his wife and in addition to the separation allowance his wife receives overseas?

The CHAIRMAN: I think that is very involved. You had better give it to Mr. Lapointe and get an answer.

Hon. Mr. MACKENZIE: I do not believe you can get both.

Mr. BENTLEY: I am not making any representation. I am asking a question.

The CHAIRMAN: There is only one thing I should like to ask about Mr. Brook's motion. It says, "After a secondary medical examination held six months or later after enlistment." That means it is based on an examination held at any time after six months, if there is one? That is what you have in mind?

Mr. BROOKS: Yes.

The CHAIRMAN: And that any disability occurring thereafter should be considered as having been incurred during service and attributable thereto.

Hon. Mr. MACKENZIE: Mr. Chairman, I can say at once on behalf of the government that we cannot accept that in the House of Commons.

Mr. Mutch: Question.

The CHAIRMAN: Question. All those in favour of that motion please signify by raising their hands? Twelve. Against? Fourteen. That motion is lost. May we proceed with the bill?

Mr. BENTLEY: I have one more question. It is a short one. We have all received a letter from a gentleman in Alberta who signs himself Tom L. Poulson. He has made some very definite statements against the officials and so on. Is the committee going to receive that here?

The CHAIRMAN: In that regard the steering committee has been considering this matter. In the first place I should say that I never received this letter which is supposed to be addressed to me, and a copy of it allegedly distributed to the members of the committee. One of the members of the committee very kindly brought it to my attention on Saturday. I noticed that he allegedly wrote me a letter. I never received that letter at all. Now, of course, I am at a loss to understand just what the purpose of this is. I pointed out to Mr. Poulson that he should send names, dates, places and detailed evidence in regard to his charges, and that unless he did that the steering committee would not consider recommending that the matter be considered by the committee. He claims in answer to that letter that he wrote me as set out in this document which has been circulated to some of the members. Never to this date have I received that letter.

Mr. Ross: Did I understand the chairman to say that he had not received the other letter?

The CHAIRMAN: I have never received this letter or the letter referred to in this letter. Had I received these letters which he claims he sent to me I would have immediately brought it up before the steering committee again because we have been considering it right along.

In view of the letter which he claims to have sent me I have arranged with the steering committee to consider the matter on Thursday to see what recommendation we will make in regard to it. I may say that I suggested



to this gentleman that he actually have resort to the courts. The attitude of the steering committee thus far was that with so much work on our hands we did no want to hear individual cases of any sort. What their decision will be in the light of this last letter which has been circulated I could not say. I might say that I am advised that this matter has been carefully considered in the district court on the 29th of March, 1943, by His Honour, Judge J. D. Matheson. Mr. Poulson was there and was represented by a solicitor. The outcome of that hearing was that a settlement was agreed on in accordance with the set of proposals put forward by the solicitor representing Poulson.

Mr. CROLL: Was it over a mortgage?

The CHAIRMAN: Probably I can read this so that the committee will have it. (Off the record).

That is the suggestion of the Director of the Soldier Settlement Board. I made the suggestion myself that he lay charges in the courts if he felt that he had any reason to do so. I think myself that the attitude of the steering committee thus far has been very reasonable. We have asked this man for specific charges, and even if I had got this letter and read it before the steering committee I doubt if they would consider that there are definite charges there. There are no names, no dates, or anything like that. Unless some member of the committee wishes to make some suggestion that might be helpful to the steering committee, I would suggest that you let us deal with it on Thursday and see what the steering committee recommends.

Some hon. MEMBERS: Agreed.

Mr. BLAIR: Mr. Chairman, while the minister is present, I should like to bring up another question. I understand that some time ago there was a regulation passed that in the year following discharge the men will get free medical treatment. At a meeting of the Ontario Medical Council yesterday—and that is the executive body of the doctors of Ontario—this question came up for discussion. They pointed out that the regulation had been passed but had never been put into effect. In my town this situation is present. We have two doctors who had four and five years' service overseas. They are both excellent doctors whom I would call in to my own family at any time, but they are not permitted at the present time to treat these men. One of these men was a surgical specialist in the air force and he did excellent work overseas. Yet at the present time he is not permitted to do a simple appendectomy on one of his own patients. The boys come to him and they go to the other doctor just because they realize that they were in this show with them and they talk their language, and they previously had been patients of these doctors. I should like to ask the minister about this.

Hon. Mr. MACKENZIE: I must say that I am very much surprised to hear what Dr. Blair has said, because we changed the policy some six months or nine months ago and provided for what we call a family doctor scheme plus a plan of specialist treatment in which the soldier is entitled to pick his own doctor, unless he is immediately adjacent to a hospital where specialist services are available. As a matter of fact we did two things which are quite new since we met last year. One is complete liaison with the universities of Canada and their very best medical surgeons and physicians; and secondly, the family doctor scheme, under a schedule of rates which has been agreed upon. If there is a case like that which Dr. Blair has referred to, where a man has been refused his own doctor, I should like very much if you would be kind enough to let me have the details in a personal way, and I will be most happy to follow it up.

Mr. BLAIR: It is in the morning paper.

Hon. Mr. MACKENZIE: I will be glad to see it.

Mr. ROSS: Do I understand the minister to say that anyone can go to his own local doctor?

Hon. Mr. MACKENZIE: The whole medical fraternity in Canada is for the first time at the disposal of the veterans of Canada.

Mr. BROOKS: Does that apply to dentists?

Hon. Mr. MACKENZIE: Yes. As a matter of fact the dental profession has been overloaded with a great deal of work on hand, and they are somewhat behind in giving the treatments that are necessary. But there has been a tremendous amount of dental work done since the boys came back and it was very necessary to have it done. I am sorry to say we are behind with that work but we are trying to catch up as fast as we can.

Mr. GREEN: Is there not this condition as regards dental work, that a man cannot get payment for the dentist unless, before he goes to the dentist, he has got authority from the army or the veterans affairs administration to have that work done?

Hon. Mr. MACKENZIE: There is no difficulty as far as we are concerned. The difficulty has been, first of all, that a lot of dentists who have started back in practice have found difficulty in finding appropriate accommodation to look after the men who require treatment. Secondly, they are so badly overburdened with work that it will take sometimes 3, 4 or 5 weeks before a boy can get the necessary treatment.

Mr. GREEN: That is not the point. Do the veterans not have to get authorization first from some governmental department for this work? Otherwise they have to pay for their own dental work.

Hon. Mr. MACKENZIE: I understand when he is discharged, the army examines him on discharge and recommends what dental work is necessary.

Mr. GREEN: Is there not a long delay in getting that authorization?

Hon. Mr. MACKENZIE: I do not think there is any delay in the recommendation. There are delays in getting the work done.

Mr. ROSS: Is the medical basis of treatment handled on the same basis as dental treatment, from the department?

Hon. Mr. MACKENZIE: Yes.

Mr. ROSS: It is on the same basis?

Hon. Mr. MACKENZIE: Yes.

Mr. ROSS: I can say that as far as dental treatment is concerned in my district, it has been working very satisfactorily and the department has been very generous; and I think if the medical treatment is handled on the same basis it will be too.

Hon. Mr. MACKENZIE: That is the new policy. But I am told for the first time that in certain areas there may be some difficulties, and I am going to look into that situation.

Mr. BLAIR: May I say that I went to the trouble of getting the order that I understood was in effect, but these people at home tell me it is not. Yesterday the matter was brought up at the Ontario Medical Council meeting. It cannot be working. There is some slip-up somewhere.

Hon. Mr. MACKENZIE: The only possible misunderstanding may have been in regard to the payment of rates. We had a schedule of medical rates for treatment in the home, for treatment in a hospital and for treatment in the office, built up in 1943, and it was ahead of the rates allowed by the provincial Workmen's Compensation Boards. Recently we applied and were successful in advancing our own previous medical rates of 1943. There may have been some difficulty, but it has not been brought to my attention. Otherwise, I cannot imagine any difficulties.

Mr. BLAIR: The Act, as apparently everybody knows, is in force; but the Medical Council wondered yesterday why it was not in effect in Ontario.

Hon. Mr. MACKENZIE: Well, it is. I will follow that up.

Mr. LENNARD: Mr. Chairman, I might say as far as warrants for dental work are concerned, the department here is behind because it takes in some cases several months for an applicant to receive his warrant to get dental work done.

Hon. Mr. MACKENZIE: I am sorry, I did not catch that. Would you kindly repeat it?

Mr. LENNARD: I say there is some delay here in the department as to dental services, in issuing warrants as far as dental work is concerned. I know that from personal experience.

Hon. Mr. MACKENZIE: I will look into that at once, to-day.

Mr. WRIGHT: If I might say a word with regard to that, I know a case personally where a chap had the work that he was supposed to get done specified on his discharge and certified to that effect. But it seemed when he went to the dentist, the dentist told him "You should have come to me before. I could have got authorization direct from Saskatoon. As it is you made application through the regular channels and authorization is going to have to come from Ottawa." That authorization, at least the dentist so informed the chap in this particular case, would probably take three months. So there are some little details there which should be attended to.

Hon. Mr. MACKENZIE: This is a very constructive discussion. May I suggest that just for about half an hour you ask Brigadier Warner, Director of Medical Services and the Director of Dental Services, to appear before your committee and cross examine them on every single complaint you have from your various ridings across Canada; and if those conditions exist, they certainly will be corrected, as far as I am concerned.

Mr. MUTCH: Carried.

The CHAIRMAN: May we really commence now with the proposed bill?

Mr. MUTCH: Is that 64176?

The CHAIRMAN: The last one is 59535.

Mr. MUTCH: There is one after that.

The CHAIRMAN: That is the suggested amendments to the proposed bill. We have before us two documents. One is the proposed bill and the other is the suggested amendments. I suggest that we take the proposed bill until we come to the suggested amendments, and then we will take them in their proper order.

Mr. BENTLEY: Which bill are we on now?

The CHAIRMAN: That is the draft of the proposed bill. On section 1:—

1. Paragraph (*dd*) of section 2 of the Pension Act, chapter 157 of the Revised Statutes of Canada, 1927, as enacted by section 3 of chapter 38 of the Statutes of 1928 is repealed and the following substituted therefor:—

(*dd*) "Department" means the Department of Veterans Affairs, and includes in respect of matters antecedent to this Act, the Military Hospitals Commission, the Department of Soldiers Civil Reestablishment and the Department of Pensions and National Health;



The first section of the proposed bill is merely to say that the "department" in the Pension Act shall be the Department of Veterans Affairs instead of as in the present bill where it is defined as the Department of Pensions and National Health. Is that carried?

Some Hon. MEMBERS: Carried.

(Clause 1 agreed to.)

On clause 2:

Paragraph (o) of section 2 of the said Act, as enacted by section 1 of chapter 23 of the Statutes of 1940-41, is repealed and the following substituted therefor:

(o) "service in a theatre of actual war" means:—

(i) in the case of the military or air forces during World War I, service in the zone of the Allied armies on the continents of Europe, Asia or Africa or in any other place at which the member of the forces has sustained injury or contracted disease directly by a hostile act of the enemy;

(ii) in the case of the naval forces during World War I, service on the high seas or wherever contact has been made with hostile forces of the enemy, or in any other place at which the member of the forces has sustained injury or contracted disease directly by a hostile act of the enemy;

(iii) in the case of the naval, military or air forces during World War II, service on the high seas, in the field or in the air in any place outside of Canada; or service in any place in Canada at which the member of the forces has sustained injury or contracted disease directly by a hostile act of the enemy.

The CHAIRMAN: This is an endeavour to use World War I and World War II in defining the two recent great wars. It is for exactitude in terminology.

Mr. GREEN: What is the difference?

The CHAIRMAN: There is no difference. It is just a matter of uniform terminology, referring to the war of 1914-18 as the first great war and the recent one as the second great war.

Mr. MUTCH: Carried.

Mr. GREEN: Are you making the same amendment in other pensions legislation?

The CHAIRMAN: I think it would be desirable to do that.

Mr. MUTCH: In the Canadian pension bill it will be amended in that way.

The CHAIRMAN: Is that clause 2 carried?

Some Hon. MEMBERS: Carried.

Mr. MERRITT: I just came in, Mr. Chairman, but I should like to ask this. Are you making amendments in the other part of the bill with respect to World War I and World War II, because throughout there are many references to the great war?

The CHAIRMAN: That is the intention, yes.

Mr. MUTCH: Clause 3, I think, does the same thing.

The CHAIRMAN: Clause 3 has the same purpose. It is defining World War I and World War II.

Mr. GREEN: On section 2, subsection (o), paragraph (iii), is there any change there?

The CHAIRMAN: I am not sure which you are referring to. Have you got that clear, Brigadier Melville?

BRIGADIER MELVILLE: Mr. Green, you refer to section 2, subsection (iii), of the draft of the proposed bill.

Mr. CROLL: Read it, somebody.

The CHAIRMAN: Is that at the top of page 2?

Mr. BROOKS: Yes, at the top of page 2.

Mr. GREEN: Yes, that is right.

Mr. CROLL: "In the case of the naval, military or air forces during World War II" and so on.

BRIGADIER MELVILLE: Yes.

Mr. GREEN: They have made a very big change there from the old paragraph.

BRIGADIER MELVILLE: We have deleted certain provisions that certain areas might be designated by order in council. No such areas were ever designated. It is to simplify the bill. It does not take anything away or detract in any way from any benefits the veteran has ever had.

Mr. GREEN: No. But the section as it stands now reads:—

In the case of the naval, military or air forces during the war with the German Reich, service on the high seas, in the field or in the air, in any place outside Canada; or service in Canada in such coastal or inland waters or in such localities whether in the field or in the air, as may from time to time be designated by the Governor in Council . . .

and so on. Are you sure that you are covering all of the cases in Canada that would be covered by the section as it now stands?

The CHAIRMAN: Yes. That has been very carefully gone into.

BRIGADIER MELVILLE: The commission is quite sure, Mr. Green.

Mr. GREEN: Take, for example, a man in the air force who was on air patrol off the coast of Canada. What about him?

The CHAIRMAN: They say "service in the air outside of Canada."

Mr. GREEN: Or a man who was on coastal patrol up and down the coast of British Columbia, for example. What about him?

Brigadier MELVILLE: Now that the insurance principle is in, it does not make any difference, does it?

Mr. GREEN: Well, it does in section 11 (1) (c) which we have been discussing so hard earlier this morning.

Mr. CONN: Are you referring to the members of the air force that fly outside of or beyond the borders of Canada?

Mr. GREEN: Men patrolling our coasts. What about them?

Mr. CONN: In the air force?

Mr. GREEN: Yes.

Mr. CONN: Patrolling the coast where?

Mr. GREEN: The Pacific coast.

Mr. MERRITT: Around the Queen Charlotte Islands.

Mr. CONN: Then they have had service in a theatre of actual war.

Mr. GREEN: Why?

Mr. CONN: I have not got it here, but the commission has an interpretation of service in a theatre of actual war, what it comprises, and it includes service in a place outside of Canada.

The CHAIRMAN: It is right here in this section.

Mr. CONN: Outside of Canada is defined as any place beyond the low water mark. That is very generous.

Mr. GREEN: Beyond the low water mark?

The CHAIRMAN: Is it not the 3-mile limit?

Mr. CONN: That was the old interpretation, but due to various situations that have developed in this war, such as the submarine menace and other things that constituted danger possibly inside the 3-mile limit, the commission's interpretation is that service in a theatre of actual war includes service anywhere beyond the low water mark of the boarders of Canada.

Mr. GREEN: Should not that be in the Act?

Mr. CONN: Well, not necessarily. There is a definition of service in a theatre of actual war, and that is service outside of Canada; we say that outside of Canada means, and we say any place beyond the low water mark. This has been up in parliament on several occasions and the former interpretation apparently was any place beyond the 3-mile limit. Well, we have carefully considered this subject, and the 3-mile limit, particularly in the naval—

Mr. MUTCH: The Gulf of St. Lawrence, for instance.

Mr. CONN: Well, that is bordering on inland waters, Mr. Mutch. But the Gulf of St. Lawrence is the high seas and a theatre of actual war.

Mr. WINTERS: It is not a matter of views. It must be laid down somewhere.

Mr. CONN: Well, we have the commission interpretation. The commission lays down the general principle and theatre of actual war is defined in the pension act.

The CHAIRMAN: It says here, "service on the high seas".

Mr. CONN: Yes.

The CHAIRMAN: That refers to the navy.

Mr. CONN: Yes.

The CHAIRMAN: "In the field or in the air in any place outside of Canada."

Mr. CONN: Outside of Canada.

Mr. GREEN: That would not cover a sailor in the St. Lawrence.

The CHAIRMAN: No.

Brigadier MELVILLE: I have the naval order, and I think I can make that absolutely clear to the committee. It reads as follows:—

*Service on the High Seas—Definition of*

(Vide H.O. Memorandum, 25th May, 1944.)

The following amendment to the definition of "Service on the High Seas" was promulgated in Naval Orders of the 30th of December, 1944, and is circulated for the information and guidance of all concerned:—

4269. "Service on the High Seas"—For pension purposes. Naval Order 3630 is amended as follows:—

Add the following new paragraph 4A:

4A. Notwithstanding anything contained in this Order, passage in a ship or vessel which is undertaken solely for the purpose of transportation from one place in Canada to another place in Canada does not constitute "service in a theatre of actual war." The test is—"was the trip of such a character that its purpose could have been fulfilled equally well by passage by land or air?" For example, a rating is ordered to and does proceed by steamship from Digby, N.S., to St. John, N.B. (i.e. below the low water mark and outside the mainland of Canada) in two different sets of circumstances:

(a) simply to proceed from one place to the other, the means of transportation chosen being the most practicable one in the circumstances.



(b) to proceed from one place to the other and also to perform certain specified duties of naval character in the course of the trip.

Situation (b) would amount to "service in a theatre of actual war"; situation (a) would not.

Mr. GREEN: That definition does not have anything to do with this definition in the Pension Act.

Mr. CONN: I thought I made that fairly clear, Mr. Green. What is defined in the Pension Act is "theatre of actual war". It all boils down to service, with emphasis on the service, any place outside of Canada. Now, outside of Canada is not defined, but the Pension Commission says what outside of Canada is. It is not in the Act, you see, and outside of Canada normally, as the chairman mentioned, was any place outside of the three mile limit.

Mr. GREEN: Actually the way that section reads now it would cover a man who went to Buffalo on army duty for a day?

Mr. CONN: Exactly, it definitely does.

Mr. GREEN: And it does not cover a man who is a sailor on the river St. Lawrence?

Mr. CONN: It definitely covers a sailor in the Gulf of St. Lawrence, but it does not cover a sailor west of Father Point because then you come to the inland waters of Canada.

Mr. GREEN: I do not think it covers a sailor sailing between Vancouver and Prince Rupert although he is out exposed to submarines.

Mr. CROLL: That would be the same as Digby.

Mr. CONN: Yes, it definitely covers the sailor.

Mr. GREEN: I think the fact you put "service on the high seas" makes that the only way that a sailor can get in, in other words, if he has been on the high seas.

The CHAIRMAN: You are defining theatre of actual war. Look at what we are doing. We are trying to define theatre of actual war, and we say if they go on to the high seas that is a theatre of actual war.

Mr. BENTLEY: We did not say that in the War Service Grants Act.

The CHAIRMAN: This is what we are doing in the Pension Act. We say if they go on to the high seas they are in a theatre of actual war or if they are in the field or in the air in any place outside of Canada they are in a theatre of actual war.

Mr. CROLL: It is certainly wider than anything we have had before.

Mr. GREEN: I think the only people who might not be covered by it are the men in the navy or in the air force.

Mr. CROLL: How?

Mr. GREEN: Take a naval man flying on patrol on the lower St. Lawrence. He is not covered by it.

Mr. CROLL: He has made sure he has flown far enough to have touched the sea. This is so wide you can hardly limit it.

Mr. EMMERSON: During the war this would cover the man who took a training course in the maritimes and flew over the Bay of Fundy?

Mr. CONN: Yes, definitely, that covers it. That principle includes service on the high seas. The three-mile limit is not the criterion of the high seas. Any place where the tide rises and falls and outside the body of the Dominion, comes within that definition, and the Gulf of St. Lawrence is covered any place below Father Point. All the flights are recorded in the man's log book, and we can get detailed information as to where he went and where his duties called him

and every flight he made. It would cover any airman who flies beyond the low water mark of the coast line of Canada, and airman whose duty calls him to fly out over the sea beyond the low water mark of Canada has service in a theatre of actual war.

Mr. EMMERSON: That is very much broader than the old one.

Mr. CONN: Definitely, very much. The three-mile limit is out. That is the old criterion. I know about this because I conferred with the navy on it, and I am partly responsible for that interpretation.

The CHAIRMAN: Is that satisfactory?

Mr. GREEN: It is all right to talk about the interpretation they have got. They have got their interpretation under the Act as it stands at the present time and perhaps under orders in council. I do not know. That interpretation does not apply in the case of a new section, and we are passing a new section.

The CHAIRMAN: The question is have they defined high seas, Mr. Green?

Mr. GREEN: What they have defined does not matter.

The CHAIRMAN: He says as a matter of interpretation what high seas means. The navy has said what high seas shall mean.

Mr. CONN: No, the Commission said that. That is what the Commission said to the navy.

The CHAIRMAN: That is what the navy wrote in their order.

Brigadier MELVILLE: The Commission defined high seas.

The CHAIRMAN: Is that a naval order you read or not?

Brigadier MELVILLE: The Commission defined high seas, and that definition was incorporated in their order which order I read.

The CHAIRMAN: That is what I said. I said that we have "high seas" in the Act, and the navy, which is surely an authority on what high seas is, has defined it. We can write it into our Act if we want to, but it seems to me it would be very hard for us to write into the Act anything that would be better for the serving sailor than what they have put in their regulation.

Mr. CONN: May I correct one point? The Commission has defined high seas and the navy has adopted it in their order.

Mr. CROLL: I have not got Mr. Green's point. Mr. Green, will you make your point again? I cannot see your point.

The CHAIRMAN: I must admit I do not see it either.

Mr. GREEN: There is in this section "service on the high seas". That is all that any Pension Commission is bound by, what the Act itself says. Apparently they are interpreting that in a very broad way, which is quite right, but that does not mean that the Pension Commission five years from now need interpret it in the same way. It is only a ruling in their own Commission.

The CHAIRMAN: It is not.

Mr. GREEN: It does not have any effect on the law. The section may be all right as it stands but my worry is the fact that as it is worded, "service on the high seas", it does not include a lot of those serving along the shores of Canada. If that section is interpreted as it actually reads then the men serving on the coasts are certainly not protected. My suggestion is that it might be worth while making sure now that they are protected in the Act, and then you do not have to depend on the ruling of some Commission.

The CHAIRMAN: As a matter of fact, who is going to say what service on the high seas is?

Brigadier MELVILLE: The Commission.

The CHAIRMAN: The Commission have to interpret the Act. They have got to decide what service on the high seas is in the light of what is reasonable.

The navy has actually laid down what high seas is in a general order approved by the Governor in Council. We pass an Act of Parliament in the light of that definition.

Mr. GREEN: We are not bound by any naval order in council or regulation. That does not affect this Act.

The CHAIRMAN: We know what the definition of, that is at the time we pass the Act.

Mr. GREEN: That does not enter into this Act. This Act has to stand on its own feet.

The CHAIRMAN: But high seas must have a definite meaning and we are told now the meaning that has been given that by naval orders of Canada. What higher authority could we have as to what constitutes high seas than that?

Mr. MERRITT: The Supreme Court of Canada would be a higher authority.

The CHAIRMAN: And the Supreme Court of Canada would rule that when we interpret high seas we must interpret it within the meaning of the definition of it by naval orders duly confirmed by the Governor in Council.

Mr. GREEN: Then why do you not say that?

Mr. CONN: May I make one effort to explain that point because I was involved in it? That is not exactly the situation. That is putting the cart before the horse, if I may say so. I should like to explain this to Mr. Green. He has got this point here but the old naval idea was that anything beyond the three-mile limit would be covered by high seas but, as a matter of fact, Canada does not own the soil underneath the three-mile zone. She has no title to that soil. She exercises a certain jurisdiction, if you want to call it that, over the sea for the three-miles beyond her coast, but she does not own the soil. Canada stops at the low water mark. That is the first thing.

Mr. GREEN: Canada is certainly never going to admit that.

Mr. CONN: The question of control is fixed by some international arrangement, but the ownership of the soil, underneath the three-mile limit is not vested in Canada. The Commission was called upon to define what was meant in the Pension Act by "in any place outside of Canada"; the Pension Commission has got exclusive jurisdiction to interpret any section of this Act, and I will admit the Commission wanted to make that definition as broad as was reasonable, and in view of all the circumstances arising out of this war we interpreted that to mean any place beyond the low water mark. Now then, the navy took their cue from us. I conferred with the navy in regard to this order which they have brought into effect, and which the chairman has just quoted to you, and that order is based upon our interpretation, not our interpretation based upon their order.

Mr. MUTCH: That was not suggested. There is needless confusion with respect to this. It does not make any difference where the navy got the definition. They got it from you, and we bow to the definition, but the fact remains substantially as the chairman stated. There is now a naval order which confirms the opinion of your board, but its source is extraneous to our discussion. It does not matter where it came from.

The CHAIRMAN: Surely when it is in the definition on the high seas in any place outside of Canada and it is interpreted the way it is said it is not the desire of this committee to undertake to define high seas outside of Canada?

Mr. BENTLEY: Could I make a suggestion? We are spending a lot of time on this. Why not insert after "seas", "according to the Naval Act", or whatever Act defines it.



Brigadier MELVILLE: Could I help you, Mr. Chairman, and gentlemen? If you refer to the Act today it says:—

Or service in Canada, in such coastal or inland waters, or in such localities, whether in the field or in the air, as may from time to time be designated by the Governor in Council as zones of hostilities.

No such areas have ever been designated by the Governor in Council. Therefore, all we are suggesting is that the war is over and why have this unnecessary reference in the Pension Act now? No such areas were declared, and therefore we say why not have a clear-cut Act to deal with, regarding which there will be no confusion whatsoever?

Mr. GREEN: How would it be if you left out "high" and simply said "service on the seas, in the field or in the air in any place outside of Canada"?

Mr. ARCHIBALD: If I were operating in a dinghy offshore in the harbour of Prince Rupert I would be on the high seas if I were on duty?

Mr. CONN: What is the width of the mouth of the harbour?

Mr. ARCHIBALD: The width would be 300 or 400 yards.

Mr. CONN: You would not be on the high seas. That is an inland indentation into the body of Canada. In order to serve on the high seas the mouth of the indentation would have to be six miles or more in width at the mouth.

Mr. ARCHIBALD: I would have to be out at Dixon entrance.

Mr. CONN: You are inside the body of the dominion if you are serving on an indentation where the mouth is six miles or less in width. That is not the high seas.

The CHAIRMAN: The purpose of this definition is to see that service outside of Canada in the air, on land or on water shall constitute service in a theatre of actual war. They have said it in as simple language as can be used. Actually they have not changed the existing Act except to drop out of it something that is inapplicable. It is working very well now. Are we going to try to define this and perhaps exclude somebody?

Mr. GREEN: On what basis do you draw the line on the St. Lawrence river?

Mr. CONN: You understand that the mouth of the Gulf of St. Lawrence is much more than six miles wide. The tide ebbs and flows.

Mr. GREEN: How far up does the tide come?

Mr. CONN: Up to Father Point. That is generally taken to be the point.

Mr. GREEN: Did submarines come above that?

The CHAIRMAN: Yes.

Mr. CONN: I think so. I would not be quite sure.

Mr. GREEN: On what basis do you set it at Father Point?

Mr. CONN: Anything inside Father Point is inside the body of the dominion.

The CHAIRMAN: In other words, I think it is again the three-mile limit. When the three-mile limit comes together it is within that. You are certainly confined within the boundaries of Canada and within the jurisdiction of Canada.

Mr. ADAMSON: Under this definition the St. Lawrence is not the high seas after it ceases to be more than six miles across?

Mr. CONN: Not necessarily, no.

Mr. ADAMSON: You said that it was not the high seas if it was not six miles across.

Mr. MERRITT: Surely this matter has been a matter of judicial interpretation. The law officers of the Crown could give us an exact definition.

The CHAIRMAN: No, the Commission is the final authority on adjudging this, and they tell you how they are judging it.

Mr. MERRITT: The Commission is not bound to follow settled precepts of law?

The CHAIRMAN: No, they are not bound. They are the sole judges in the interpretation of this Act.

Mr. CONN: I should like to produce the comment of the navy when they got this interpretation.

Mr. GREEN: Would the Commission give consideration to taking out the word "high" there?

The CHAIRMAN: I do not think it makes a bit of difference.

Mr. CONN: It does not make a particle of difference.

Mr. GREEN: The way that section reads now if you read it strictly it is service on the high seas, and that is all that applies to a sailor. Those words "in any place outside of Canada" do not apply the way the section is worded.

Mr. CONN: It would not make a bit of difference.

Mr. GREEN: "In the field or in the air or in any place outside of Canada".

The CHAIRMAN: I take it that "outside of Canada" qualifies all three.

Mr. GREEN: I do not think it does. It is the opposite of the high seas, and then there is the way your commas are placed too.

The CHAIRMAN: I suppose we will have to adjourn until Thursday at 11 o'clock.

The committee adjourned at 1.00 o'clock p.m. to meet again on Thursday, May 23, 1946, at 11.00 o'clock a.m.



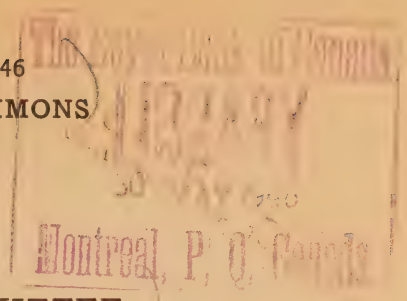


g. Doc  
Can  
Com  
V

CAI  
XC2  
-45021

Canada Veterans Affairs - Special Committee  
on, 1946

SESSION 1946  
HOUSE OF COMMONS



SPECIAL COMMITTEE

(ON)

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 20

THURSDAY, MAY 23, 1946

WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission;

Mr. E. V. Wilson, Pensions' Advocate.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946





## MINUTES OF PROCEEDINGS

THURSDAY, May 23, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Brooks, Croll, Cruickshank, Emmerson, Fulton, Gillis, Green, Harkness, Harris (*Grey-Bruce*), Herdridge, Jutras, Kidd, Lennard, Marshall, MacNaught, McKay, Mutch, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Skey, Tremblay, Tucker, Winters, Wright.

*In attendance:* Mr. J. L. Melville and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. E. V. Wilson, Pensions' Advocate.

The Chairman reported that the Steering Committee had considered certain charges of irregularities in the administration of the Soldier Settlement Act made by Mr. Tom L. Poulson, Rochfort Bridge, Alberta, and had agreed to recommend that Mr. Poulson be informed of the Committee's policy not to hear representations from individuals unless sponsored by representative veteran organizations, or other responsible bodies.

The Chairman further reported that the Steering Committee had agreed to recommend that representatives of the National Conference of Student Veterans be heard on Monday, May 27, at 11.00 a.m.

On motion of Mr. Croll, the recommendations of the Steering Committee were concurred in.

Mr. Jutras, from the Subcommittee on Cooperatives, tabled the following report:—

Your subcommittee on cooperatives met on May 22 and heard representations from the Hon. John H. Sturdy, Minister of Reconstruction for the province of Saskatchewan.

This evidence, and that of other witnesses, will be tabled with the subcommittee's final report and, as it is probable that the committee will wish to publish it as an appendix to its own minutes of proceedings and evidence, it is recommended that it be ordered printed from day to day and advance copies distributed to members of the subcommittee.

On motion of Mr. Croll, it was ordered that evidence taken by the subcommittee be printed and copies thereof distributed to members of the Committee.

Mr. Mutch, from the subcommittee appointed to study the proposed draft bill respecting civilian war pensions and allowances, tabled the following report:—

Your subcommittee has held four meetings and will recommend that all clauses of the draft bill respecting civilian war pensions and allowances be adopted with the following exceptions:

Clause 5: That paragraph (a) be redrafted to conform with The Canadian Citizenship Act;

Clause 12: That the words *or to which it was chartered* be added immediately after the word *licensed* in the last line;



Clause 39: That the clause be redrafted by the Canadian Pension Commission;

Clause 52: That the words *Schedules I and II of this Act* in the last line be deleted and the words *Schedules A and B of the Pension Act* be substituted therefor.

Your subcommittee is now prepared to consider the claims of V.A.D.'s and of other groups for inclusion in the bill and invites representations from members of the main committee who wish to appear before the subcommittee on behalf of such groups.

Your subcommittee wishes to express its indebtedness to the Chairman of the Canadian Pension Commission for his advice and assistance.

On motion of Mr. Mutch, it was ordered that the Chairman report to the House any recommendations approved by the committee since the submission of its Fourth Report.

The Chairman tabled a letter dated May 14, 1946, received from Mr. George H. Bowler, O.B.E., Ministry Representative, The British Ministry of Pensions, respecting the position under Imperial pension regulations of British nationals who served in other Allied Forces, which is printed as *Appendix A* to this day's minutes of proceedings and evidence.

The Committee resumed consideration of the proposed draft bill to amend the Pension Act.

Paragraph (iii) of clause two was amended by deleting the word *high* in the second line thereof and inserting a comma after the word *air* in the third line.

Clause two, as amended, and clauses three and four were adopted.

It was agreed that the appropriate officers of the Canadian Pension Commission be requested to redraft clause five to provide for the creation of the position of Assistant Chairman, with a salary of \$7,500 per annum.

The draft bill was amended by the deletion of clause six.

Mr. Green moved that the draft bill be further amended by the addition of the following clause:—

Paragraph (c) of subsection 1 of section 11 of the Pension Act is repealed and the following substituted therefor:—

- (c) no deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during World War I or during World War II, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforesaid wars; provided that service by a member of the forces in a theatre of actual war may only be counted for the purposes of this paragraph when it has been rendered in the particular war with reference to service in which pension has been awarded; and further provided that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was obvious or was recorded on medical examination prior to enlistment.

Mr. Gillis moved that Mr. Green's motion be allowed to stand until further information was available to the Committee.

After discussion, and by leave of the Committee, Mr. Green withdrew his motion.

The draft bill was further amended by the addition of the following as clauses six and seven:—

6. The introductory words of subsection one of section eleven of the Pension Act are repealed and the following substituted therefor:—

(1) In respect of military service rendered during World War I or during World War II,

7. Subsection two of section eleven of the Pension Act is repealed and the following substituted therefor:—

(2) In respect of military service in peace time, pension shall be awarded to or in respect of members of the forces who have suffered disability, in accordance with the rates set out in Schedule A to this Act, and in respect of members of the forces who have died, in accordance with the rates set out in Schedule B to this Act, when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made arose out of or was directly connected with such military service.

At 1.00 o'clock p.m., the Committee adjourned until Friday, May 24, at 11.00 o'clock a.m.

A. L. BURGESS,

*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

MAY 23, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first item of business is in regard to a matter brought up on Tuesday in regard to Mr. Poulson's letter. Your subcommittee recommended that Mr. Poulson be written that it has been the practice of this committee, and they desire to adhere to it, not to hear individual representations unless they are sponsored by some responsible veterans' organization or other organization. Their recommendation is that we adhere to that principle in regard to these charges. Mr. Poulson has his right of recourse to the courts; or if he can satisfy any responsible organization of veterans or any other organization that there is anything in his charges, then the steering committee would recommend that reconsideration be given to the matter.

Mr. BROOKS: You said subcommittee in the beginning, Mr. Chairman. It should be the steering committee.

The CHAIRMAN: Yes, the steering committee. Is that satisfactory to the committee? May we have an actual motion in regard to this?

Mr. CROLL: I move the adoption of that.

Mr. WINTERS: I second that.

(Motion agreed to.)

The CHAIRMAN: The next recommendation of the subcommittee is that we hear the University Veterans' Association on Monday next.

Mr. JUTRAS: In the morning or afternoon?

The CHAIRMAN: Monday at 11 o'clock in the morning. Is that satisfactory?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: The next item arises out of the report of the subcommittee on co-operatives. I will read the report signed by the chairman of the subcommittee, Mr. Jutras. It reads as follows:—

May 22, 1946.

Your subcommittee on co-operatives met on May 22 and heard representations from the Hon. John H. Sturdy, Minister of Reconstruction for the province of Saskatchewan.

This evidence, and that of other witnesses, will be tabled with the subcommittee's final report and, as it is probable that the committee will wish to publish it as an appendix to its own minutes of proceedings and evidence, it is recommended that it be ordered printed from day to day and advance copies distributed to members of the subcommittee.

Mr. Jutras, did you mean distributed to members of the subcommittee, or to members of the committee?

Mr. JUTRAS: The subcommittee.

Mr. CROLL: Oh, we want it too, for the members of this committee.

Mr. JUTRAS: Mr. Chairman, the reason I put down "subcommittee members" was that the story is only partly told and we thought that we would wait until we had the whole story. Then if we have any other witness of the kind we would have the whole thing together and it could be used as an appendix to the subcommittee's final report; because in itself it may not mean very much.

Mr. GILLIS: I agree with Mr. Croll. I think the main committee should get that evidence as they go along. We can be studying it. In the final analysis, this is where the decision will be made.

Mr. CROLL: There is no harm in that.

Mr. JUTRAS: It does not make any difference.

Mr. GILLIS: Why not have enough copies printed to go around?

Mr. MUTCH: We have not time to read what we have now.

The CHAIRMAN: What Mr. Jutras says certainly would apply to its being sent out abroad, but I quite agree with the members that it should be available to members of the committee. So what would probably be the best way to handle this thing would be to have any evidence like this printed and circulated to the members of the committee, but not actually embodied in our proceedings until we are in a position, as Mr. Jutras says, to have the whole thing sent out to the country as part of the proceedings of this committee. In other words, members of the committee would have it for study, but we would not be sending part of the story out now and part two weeks from now. How would that do?

Mr. WRIGHT: I do not think any of this should be printed in our minutes until the committee reports back to the main committee and we table it here.

Mr. CROLL: That is what the chairman says.

Mr. MUTCH: Hear, hear.

Mr. WRIGHT: In the meantime it would be available to us for study?

The CHAIRMAN: I think that is the ideal solution. Is that satisfactory to the committee?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Then I will declare this carried with the necessary amendment.

The next report I have is from the subcommittee appointed to study the proposed draft bill respecting civilian war pensions and allowances, signed by the chairman, L. A. Mutch. It reads as follows:—

WEDNESDAY, May 22, 1946.

Your subcommittee has held four meetings and will recommend that all clauses of the draft bill respecting civilian war pensions and allowances be adopted with the following exceptions:—

*Clause 5:* That paragraph (a) be redrafted to conform with the Canadian Citizenship Act;

*Clause 12:* That the words *or to which it was chartered* be added immediately after the word *licensed* in the last line;

*Clause 39:* That the clause be redrafted by the Canadian Pension Commission;

*Clause 52:* That the words *Schedules I and II of this Act* in the last line be deleted and the words *Schedules A and B of the Pension Act* be substituted therefor.

Your subcommittee is now prepared to consider the claims of V.A.D.s and of other groups for inclusion in the bill and invites representations from members of the main committee who wish to appear before the subcommittee on behalf of such groups.

Your subcommittee wishes to express its indebtedness to the Chairman of the Canadian Pension Commission for his advice and assistance.

Do you wish to hear from Mr. Mutch as to the effect of those changes?

Mr. CROLL: We will get an opportunity for that later.

Mr. MUTCH: There will be a final report on that, Mr. Chairman.

The CHAIRMAN: I understand the changes are more to correct errors in draftsmanship than anything else.

Mr. MUTCH: We deliberately said "will recommend". It was simply a report on progress. We do not intend to report the bill until we have dealt with the possible inclusion of other civilian employees or other civilian pensioners.

The CHAIRMAN: A matter has been raised this morning which I think I had better lay before this committee now, because I do not want any misunderstanding. The committee will remember that when the decision was taken in regard to the firefighters and supervisors, I stated to the committee that I would convey to the government the decision of the committee and report back the decision of the government in the light of that decision as soon as I could. I did report the decision of the government in regard to the matter and brought up the question of what our attitude would be in regard to the situation created by the government not accepting in full the recommendation of the committee, and the thought that the best way was to have the government introduce bills in the matter into the House and refer them back to this committee. That is going to be done, as has already been explained in the House. The bills are all ready to be introduced and the minister intends to state that it is the intention that they should be referred back to this committee. Mr. Green suggests that that decision of our committee should have been embodied in a report to the House. He gives as the reason for it that anyone wishing to speak and refer to that decision of the committee cannot refer to the proceedings of this committee but must confine himself to what is reported to the House. He says that therefore what I have done is not adequate to put the House into the picture and that we should make a report showing what we recommended. I did not at the time understand that was the wish of the committee; if I had, of course I would have asked you if you wished to report that to the House. I regret that I understood that from the committee if it was not the intention of the committee; because of course we will be reporting something now after the government has actually introduced this bill. However, it is for the committee to decide what it will report to parliament.

Mr. CROLL: It was never the intention to shut off anyone who had views other than our own.

The CHAIRMAN: Oh, no.

Mr. CROLL: If Mr. Green is being shut off, that is not our intention. He ought to be given an opportunity to talk about it and discuss it on the floor of the House, without being out of order.

Mr. GREEN: There is no such thing as two types of recommendation from this committee, one type that the chairman carries verbally to the Cabinet, and the other type which goes to the House. The procedure should be, I submit, that when a recommendation is adopted by this committee, it should be included in the next report to the House. If that is not to be done, the situation is hopeless. I realize this was a recommendation with which the Cabinet did not agree, but that should not make any difference, any more than it should in the case of that decision made on Tuesday which was a decision with which the government did not agree. Surely we are not going to adopt the rule that recommendations that are not favourable to the government are not to be reported to the House and those that are favourable to the government are to be reported. We have got to have one rule for all recommendations. I think there should be a report put into the House now containing all the recommendations that have not yet been reported to the House. If that is not done in the case of this recommendation on the auxiliary services and firefighters, then the minute anybody gets up to say that the committee recommended that such-and-such be done; he will be ruled out of order if there is not a report from this committee; and I do not think it is fair that we should be put in that



position. We should be able to say to the House that the Veterans Affairs Committee recommended that such-and-such be done, and criticize the government for not doing it. That is one of the unpleasant positions a government has to face. I think in all fairness there is only one thing to do, and that is to report these recommendations to the House as they are passed.

The CHAIRMAN: I hope the committee realizes that I acted in good faith in the matter.

Mr. GREEN: Nobody questions that.

The CHAIRMAN: I stated to the committee that I would report to the government and report back to the committee. I did that. But I have no objection to a motion asking that we make a report to the House, that we draft up any recommendations that we have passed thus far and report them to the House. We will lay that before the committee tomorrow.

Mr. MUTCH: I would move that the chairman report from the committee to the House a summary of the resolutions of this committee in order that the fullest discussion of our decisions may be possible when the bills are before the chamber.

Some hon. MEMBERS: Carried.

(Motion agreed to.)

The CHAIRMAN: That will be drawn up and presented to the committee tomorrow morning.

Mr. MUTCH: It is inconceivable to me that we cannot recapitulate any of the argument here; but if there is any legal difficulty, let us fix it.

The CHAIRMAN: Before we proceed with the bill, may I say that I have here a letter written by Mr. Bowler, the representative here of the British Ministry of Pensions, in regard to the question of provision for reciprocal benefits by the British government for their people who served in other armed forces than their own, and so on. The letter is fairly long, and with your permission we will table it as an appendix to our proceedings. (Appendix "A").

Some hon. MEMBERS: Carried.

The CHAIRMAN: On the point that we were studying yesterday, I asked that a memorandum be prepared.

Mr. MUTCH: At what point did we stop, Mr. Chairman?

The CHAIRMAN: Subparagraph (iii), paragraph (o), Section 2 of the draft bill, on the question of "high seas". I will just read the memorandum on the matter from Mr. Conn. It is addressed to myself and reads as follows:—

As requested by you the Commission has given consideration to the suggestion of the removal of the word "high" from section 2, para. (o), subparagraph (iii) of the draft of a proposed bill to amend the Pension Act.

Providing a comma is inserted after the word "air" in the third line thereof the commission is of the opinion that the deletion of the word "high" before the word "seas" in the second line thereof would have absolutely no effect in practical application.

The commission is of the opinion that the deletion of the word "high" as suggested might possibly more accurately describe the actual practice of the commission in this regard.

The commission interprets "high seas" to include the whole of the sea below the low water mark and outside the body of the Dominion of Canada. Or in other words, for the purposes of the application of the insurance principle Canada is bounded by the Coast of Canada.

Subparagraph (iii) would then read as follows:—

- (iii) In the case of the naval, military or air forces during *World War II*, service on the sea, in the field or in the air, in any place outside of Canada; or service in any place in Canada at which the member of the forces has sustained injury or contracted disease directly by a hostile act of the enemy.

H. A. L. CONN,  
*Commissioner.*

Mr. EMMERSON: In that submission, what is meant by "below low water mark"?

The CHAIRMAN: What is that? I did not quite catch it.

Mr. EMMERSON: What is meant, in that submission or letter which you have just read, where they say "below low water mark"?

The CHAIRMAN: I thought that was quite clear. What was not clear about it?

Mr. EMMERSON: Does that mean "in the sea"? I refer to the expression "below low water mark". Or do they mean "outside low water mark"?

Mr. CONN: Yes.

The CHAIRMAN: Yes. It would be below or outside.

Brigadier MELVILLE: It should be "beyond".

The CHAIRMAN: Yes, beyond.

Mr. HARRIS: "Beyond" is the correct word.

The CHAIRMAN: Yes, that is right. That actually will not change the practice of the commission, but it certainly makes it very plain that their practice is in accordance with the law. Is that satisfactory to the committee?

Mr. CROLL: Let us carry it.

Some hon. MEMBERS: Carried.

The CHAIRMAN: Carried with the word "beyond" instead of "below".

Mr. GREEN: What is it at present? How will it read then?

The CHAIRMAN: It will read:—

In the case of the naval, military or air forces during *World War II*, service on the sea, in the field or in the air, in any place outside of Canada; or service in any place in Canada at which the member of the forces has sustained injury or contracted disease directly by a hostile act of the enemy.

The explanation of that as given by the Commission is that any place outside of Canada means any place beyond the low water mark. Is that satisfactory? (Carried).

Then we come to paragraph 3. That again is to define the meaning of the various wars, World War I and World War II.

3. Paragraph (p) and (q) of section two of the said Act, as enacted by section two of chapter twenty-three of the statutes of 1940-41, are repealed and the following substituted therefor:—

- (p) "World War I" means the war waged by the German Emperor and His Allies against His Majesty and His Majesty's Allies; and the period denoted by the term "World War I" is the period between the fourth day of August, one thousand nine hundred and fourteen, and the thirty-first day of August, one thousand nine hundred and twenty-one, both dates inclusive:

- (q) "World War II" means the war waged by His Majesty and His Majesty's Allies against Germany and Germany's Allies which for the purposes of this Act shall be deemed to have commenced on the first day of September, one thousand nine hundred and thirty-nine, the date or dates, as the case may be, of termination of which will be such date or dates, as may be proclaimed by the Governor in Council;

Is that satisfactory to the committee?

Mr. PEARKES: Is "World War I" the correct definition of that operation? It is not the recognized British title. I think it is the recognized title in the United States, but as far as the British Commonwealth is concerned I believe it refers to that as the Great War, 1914-1919.

The CHAIRMAN: This other term is coming into general use in various international conferences, and so on.

Mr. MUTCH: There appears to be no difficulty in recognizing what war you are talking about. That is what matters.

The CHAIRMAN: I have noticed that in these reports from the various international conferences this phrase seems to have come into use. Is that carried? (Carried).

Then we come to clause 4, "World War I" and "World War II" substituted for "Great War" and for "War with the German Reich".

4. Section two of the said Act, as amended by chapter thirty-eight of the statutes of 1928, chapter thirty-five of the statutes of 1930, chapter forty-five of the statutes of 1932-33, chapter forty-four of the statutes of 1936, chapter thirty-two of the statutes of 1939, (1st Sess.), chapter twenty-three of the statutes of 1940-41 and by this Act, is further amended by adding the following subsection thereto.

- (2) The expressions "World War I" and "World War II" are substituted, respectively, for the expressions "Great War" and "War with the German Reich" wherever the latter expressions appear in this Act.
- (3) The title "Department of Veterans Affairs" is substituted for the title "Department of Pensions and National Health" wherever the latter title appears in this Act.

That is the same thing. (Carried).

Then we come to clause 5. That has to do with salaries.

5. Subsection seven of section three of the said Act, as enacted by section two of chapter forty-four of the statutes of 1936, is repealed and the following substituted therefor:—

- (7) The Chairman shall be paid a salary of nine thousand dollars per annum, and each of the other Commissioners, including ad hoc Commissioners, shall be paid a salary at the rate of seven thousand dollars per annum; such salaries shall be paid monthly out of any unappropriated moneys forming part of the Consolidated Revenue Fund of Canada.

Mr. MUTCH: With respect to clause 5, and bearing in mind what we were told the other day but for the moment ignoring it, I should like to move an amendment to the effect that the sub-chairman of the Commission shall have his salary increased by the sum of \$500 per annum. Throughout the life of the current Commission, and under the set up which presently exists with this body dividing itself on numerous occasions for the variety of the hearings which come before it, a very considerable amount of work has fallen to the lot of whoever acts as sub-chairman of the Commission. It seems only fair there should be some



distinction in respect of his salary from that of the ordinary Commissioners. It does involve a considerable amount of work, and I should like to so move.

Mr. CROLL: How many sub-chairmen are there?

The CHAIRMAN: Just one.

Mr. CROLL: How many commissioners?

Brigadier MELVILLE: There are fourteen commissioners, including the chairman. The chairman has very heavy administrative responsibilities. The board room has assumed enormous responsibilities and importance. That also concerns the setting up of the appeal boards of the commission. I have to delegate that to someone and have done so to Commissioner Conn who also acts in my absence. I very strongly recommend for the favourable consideration of this committee that there be an increase to provide for the assistant to the chairman.

Mr. GREEN: Is there any provision in the Act for an assistant chairman?

Brigadier MELVILLE: No, not at the moment.

Mr. SINCLAIR: Was the position of assistant to the chairman established by order in council? Why is it not called "deputy chairman"?

Mr. CROLL: Actually we are creating it here ourselves.

Mr. SINCLAIR: There is an order in council which already covers the assistant to the chairman.

Mr. CROLL: We are creating it here. We can call it deputy chairman.

Mr. SINCLAIR: Do not tell me that there is not. I know there is. At least, I am informed by a reliable source.

Mr. CROLL: It does not say so in the Act.

The CHAIRMAN: How about recommending that a clause be drafted establishing the position and carrying an additional remuneration of \$500, and leave it to the Commission to draft it?

Mr. MUTCH: I will amend my motion to that effect.

Mr. GREEN: We are not passing on whether that is right or not.

Mr. MUTCH: My motion is that we recommend, and I will amend my original motion to that effect.

Mr. GREEN: I think we had better have a draft of the proposal before we recommend anything.

The CHAIRMAN: Yes, we will ask them to prepare a draft subsection which will be brought back to the committee.

Mr. GREEN: Have you got the order in council that increased those salaries?

The CHAIRMAN: The order in council appoints an assistant chairman and that is all it does.

Brigadier MELVILLE: Yes, the order in council appoints an assistant chairman. There is no salary provision in that order in council. It sets out the appointment.

Mr. GREEN: Have these salaries been increased by order in council?

Brigadier MELVILLE: They have.

Mr. CROLL: The 31st of May, 1945.

Brigadier MELVILLE: As stated in the explanatory notes opposite the section.

Mr. GREEN: Where is the order in council that made that increase?

The CHAIRMAN: I presume that is here.

Brigadier MELVILLE: P.C. 2/3962 dated the 31st of May, 1945.

Mr. McKAY: Why would not "deputy" or "vice chairman" be a more satisfactory term to use there?

The CHAIRMAN: What I had in mind was that the Commission could discuss it amongst themselves and bring in a proposed amendment in the light of the discussion here. We could then discuss it.

Mr. SINCLAIR: And to include also the duties of the deputy chairman to be laid down in the Act?

Mr. CROLL: The order in council is page 228, Mr. Green.

Mr. MUTCH: We have not defined the duties of anybody else elsewhere in the Act.

Mr. SINCLAIR: But you should have those of the deputy chairman.

The CHAIRMAN: Those who have this grey book will find it on page 228. The operative part of the order in council reads as follows:—

The Undersigned therefore has the honour to recommend that, under the authority of the War Measures Act, it be ordered that the salary of the Chairman of the Canadian Pension Commission be increased to nine thousand per annum and that the salary of each of the other commissioners be increased to seven thousand dollars per annum, effective January 1st, 1945.

Mr. BROOKS: Is this in line with salary increases in other departments of the government, or have there been any increases in the other departments?

The CHAIRMAN: Of course, as you can see this was done on the 31st of May, 1945. This was passed as being proper at that time. We have now got to decide whether we will recommend that it be embodied in the bill. That is the first thing. The motion before the committee is that we ask the Pension Commission to draft an additional subsection establishing the position of assistant chairman or deputy chairman, defining the duties, and providing an additional remuneration in connection with it of \$500. I understand that is the motion of Mr. Mutch. That recommendation, of course, will come back to us from the Commission for further discussion.

Mr. GREEN: I should like to get it clear whether Mr. Mutch's motion is in effect recommending that increase.

Mr. MUTCH: Let me make that abundantly clear. When I stood up first I moved that this committee should recommend that the salary be amended. Then after some discussion, which you yourself had a part in, it was suggested by the chairman, I believe, as the result of comments of you and others, that we should have a draft made before we proceed to recommend. I then said, "I amend my motion accordingly and so move."

Mr. GREEN: We do not need any motion for that.

Mr. MUTCH: My motion is that the chairman have the commission draft an amendment which will embody that suggestion.

Mr. GREEN: We do not need a motion. I should like to know how many commissioners there are now?

The CHAIRMAN: Fourteen including the chairman.

Mr. GREEN: The Act provides for not less than eight, and it can be increased by the Governor in Council to twelve. How did get up to fourteen?

Brigadier MELVILLE: I can explain that. The Act provides for a maximum of twelve commissioners and five ad hoc commissioners. At the present time there are ten commissioners on a term appointment and four ad hoc commissioners who have been appointed for one year. That includes a representative from the naval service and one from the air.

Mr. GREEN: These ad hoc commissioners were only supposed to be appointed temporarily? Is that right?

Brigadier MELVILLE: They are only appointed for one year.

Mr. GREEN: How many members are you planning to have as permanent members of the Commission?

Brigadier MELVILLE: I cannot answer that; whatever the situation demands is the only answer I can give. It is absolutely essential to the work of the Commission to have the present number of commissioners because we have two and very frequently three appeal boards out. That is nine commissioners, and that imposes a very heavy burden on those who are in Ottawa.

Mr. Mutch: It is possible to have seventeen under the present set up?

Brigadier MELVILLE: That is right.

Mr. GREEN: On what basis was the pay increased from \$6,000 to \$7,000? You got new men to do the extra work. For what reason was the pay increased?

The CHAIRMAN: I do not know that Brigadier Melville can answer that. I think it is a matter of government policy and it was decided that it should be increased consistent with the amount of extra work they had to do.

Brigadier MELVILLE: May I make one brief explanation? We took over all the work of various other bodies. There have been pension tribunals, pension appeal boards, quorums of the Commission and a federal appeal court. The chairman of that court was paid a salary of \$8,000 a year. The members had a salary of \$7,000. That court was abolished in 1939. The Canadian Pension Commission as constituted to-day carries out, accepts the responsibility for and undertakes all the work of the Commission including appeal boards.

Mr. McKAY: I presume that these salaries do not include expenses. Therefore I should like to ask this question. Probably Brigadier Melville can help us. What expenses are normal in carrying out the work of the Commission, just travelling expenses?

Brigadier MELVILLE: Yes.

Mr. McKAY: How do they average? I suppose there is a means of getting that information. I think it would be wise to put on the record what the average expenditure for the fourteen men might be for a year.

Brigadier MELVILLE: The Commission is governed by Treasury Board instructions. They are paid actual and necessary expenses. They submit itemized accounts for every expenditure, including tips and gratuities, and every expense account has to have my personal approval before submission to the chief treasury officer.

Mr. Mutch: That is purely a matter for the estimates in the House of Commons and not for this committee.

Mr. GREEN: Well now . . .

Mr. Lennard: What is this committee for if not to relieve the House of that work?

Mr. Sinclair: You said that ad hoc commissioners were appointed for one year. Have there been any reappointments? Have you made your appointments for longer than a year? Have you changed the personnel, for example, of the air force and naval commissioners who were appointed for one year?

Brigadier MELVILLE: No. Of the four ad hoc appointees at present in office three of them have had renewals for one year. The fourth was only appointed last December so he is still in his first appointment.

Mr. Sinclair: Is the chief medical adviser one of those ad hoc commissioners?

Brigadier MELVILLE: The chief medical adviser of the Canadian Pension Commission was appointed an ad hoc commissioner in December of last year.

Mr. Sinclair: Does he still hold the position of chief medical adviser as well as being a commissioner?



Brigadier MELVILLE: Definitely not. The Canadian Pension Commission through the regular channel of the Civil Service Commission has advertised and at the present time the Civil Service Commission is giving consideration to the applications which have been received for the appointment of a chief medical adviser to the Commission.

Mr. SINCLAIR: That is my point. The chief medical adviser was given a one year appointment and you advertised for a new chief medical adviser. The implication is that the ad hoc appointment for one year is going to last more than one year?

Brigadier MELVILLE: No, that is very definite and was stated by me to the representative of the Civil Service Commission, that the appointment of the chief medical adviser is a temporary appointment. It is not a permanent one. The new one is a temporary appointment, and the situation was very definitely explained to the representative of the Commission, and is so stated in the advertisement.

Mr. BROOKS: Does he draw two salaries?

Brigadier MELVILLE: No.

Mr. GREEN: What does the chief medical adviser get?

Brigadier MELVILLE: The chief medical adviser of the Canadian Pension Commission was classified as a medical officer, grade eight, which has a maximum salary of \$6,000 a year. The Civil Service Commission, when reviewing the situation on the request to find a suitable temporary chief medical adviser, established a classification of medical officer, grade nine, which has a maximum salary of \$6,600 per year.

Mr. GREEN: Can you give us the names of the different commissioners and the dates of their appointments?

Brigadier MELVILLE: Yes. Mr. J. L. Melville, chairman, appointed on the 4th of October 1943, for seven years; Mr. H. A. L. Conn, assistant to the chairman, appointed by order in council 211/6357, of the 3rd of October, 1945. He was originally appointed on the 1st of October, 1933, for seven years. His appointment was renewed from the 1st of October, 1943, for seven years. Commissioner C. B. Reilly, appointed on the 1st of July, 1936; reappointed on the 6th of August, 1943, for seven years. Commissioner O. F. B. Langelier, appointed on the 1st of September, 1937; reappointed on the 1st of September, 1944, for seven years. Commissioner Harry Bray, appointed on the 1st of September, 1939, for seven years. Commissioner F. F. Chute, appointed on the 1st of October, 1940, for seven years. Commissioner J. K. Matheson, appointed on the 1st for July, 1941, for seven years. Commissioner H. M. Barnes, appointed on the 1st of September, 1941, for seven years. Commissioner H. A. Bridges, appointed on the 1st of September, 1941, for seven years. Commissioner R. E. Wodehouse, appointed on the 14th of October, 1944, for four years. Ad hoc commissioners: Commissioner R. J. Gordon, first appointed on the 1st of September, 1944, for one year; reappointed on the 1st of September, 1945, for one year. Commissioner N. L. Pickersgill, first appointed on the 1st of February, 1945, for one year; appointment renewed on the 1st of February, 1946, for one year. Commissioner J. M. Forman, first appointed on the 1st of February, 1945, for one year; reappointed on the 1st of February, 1946, for one year. Commissioner C. M. Keillor, appointed on the 12th of December, 1945, for one year.

Mr. SINCLAIR: How many of these men are doctors—how many of these fourteen?

Brigadier MELVILLE: The doctors among the commissioners are Commissioners Chute, Barnes, Wodehouse, Gordon, Keillor.

Mr. SINCLAIR: That makes five out of fourteen?

Brigadier MELVILLE: Yes.

Mr. FULTON: Do you regard these ad hoc appointments as an opportunity to keep bringing fresh blood into the Pension Commission? Suggestions have been made in the past that by keeping the same personnel all the time there might be a tendency perhaps to try—as the result of constant criticism which perhaps comes to your ear—to try to save the country money rather than to try to award pensions. I am asking whether that criticism has been heard. It is suggested that the situation might be avoided if there were some way of bringing fresh personnel constantly into the commission. Do you regard these appointments of ad hoc commissioners as one way of doing that, and would you be prepared to say that that was one of the purposes for which the ad hoc commissioners were created?

Brigadier MELVILLE: No. The ad hoc provision, I am sure, was embodied in the Act to enable the commission to deal with situations which arise. Let me explain one occurrence of recent origin. An appeal board of the commission sat in Quebec and then was going down to Gaspé. When in Chicoutimi one commissioner became seriously ill and it was necessary to have him replaced. It was further necessary that the replacement should be bilingual. The commission was able to make an ad hoc appointment, through a telephone conversation, for a fully qualified man—he is a judge, as a matter of fact, in Quebec—to report and take over the duties for the balance of the week. It worked out very satisfactorily.

Mr. FULTON: What would you say as to the desirability or advisability of rotation, say, over a five-year period; that so many of the commissioners should be appointed for a five-year period and that so many should rotate each five years?

Brigadier MELVILLE: There is no fixed term of appointment. That is provided for in the Act. The appointment may not exceed seven years actually.

Mr. GREEN: It does not say the commissioner shall be appointed for seven years.

The CHAIRMAN: It says the appointment shall not exceed seven years.

Brigadier MELVILLE: Such term as may be designated by the Governor in Council.

Mr. FULTON: I am asking your opinion as to the desirability of a rotation system?

Brigadier MELVILLE: I think the present system with four ad hoc commissioners runs somewhat along the very line of which you speak, and it maintains a flexibility within the organization of the commission and the commissioners.

Mr. BROOKS: In practice they are appointed for seven years. At least, that is what I take from your statement that so and so was appointed in such a year for a seven-year period?

Brigadier MELVILLE: That is quite correct, sir. Originally, and for many years, appointments were for ten years.

Mr. BROOKS: I am not complaining about that at all.

Brigadier MELVILLE: No. I know that when the Act was changed in 1933 and the name was changed from the Board of Pension Commissioners to the Canadian Pension Commission provision was made for the unexpired term of office which happened to be seven years, and that is why that very odd period of seven years is in the Act.

Mr. WRIGHT: Has there been any appointment of men to the commission who have seen service only in this war?

Brigadier MELVILLE: Very definitely. Of the present commissioners the naval representative, Pickersgill, and the air force representative, Forman, are from this war, in addition to other commissioners who have served in both wars.

Mr. WRIGHT: But they are both ad hoc commissioners?

Brigadier MELVILLE: Oh, no, they are not the only two who served in this war. I dislike speaking personally, but I served in both war.

Mr. WRIGHT: I was asking about those who served in just this war.

Brigadier MELVILLE: There are two.

Mr. WRIGHT: There are only two who have served in this war only and they are both ad hoc commissioners?

Brigadier MELVILLE: As a matter of fact, I must correct my statement. Commander Pickersgill served in World War I toward the end. He had a period of service in World War I. I have always endeavoured to put the facts before the committee.

Mr. GREEN: You have only one commissioner whose service has been entirely in this war, and he is only an ad hoc commissioner?

Brigadier MELVILLE: That is correct.

The CHAIRMAN: The actual clause, gentleman, is that each commissioner, except an ad hoc commissioner, shall hold office during good behaviour for a period of seven years from the date of his appointment, or for such lesser period as may be specified by the Governor in Council.

Mr. MUTCH: It is only fair to point out at this point when we are discussing veterans of this war on the commission that the appointments being for seven years and the only available appointments being ad hoc appointments, it is hardly fair to say that a man who is appointed in this war is just an ad hoc commissioner. There is a very definite implication. He has been appointed, apparently, as I understand, to the only available position.

Mr. CROLL: No, that is not right.

Mr. MUTCH: If it is not right I want to know.

Brigadier MELVILLE: I might state that two vacancies on the establishment, long-term establishment, have not been filled purposely, and it is hoped that if appointments are made then they will be from those who have served in World War II.

Mr. GREEN: You could only make two more long-term permanent appointments.

Brigadier MELVILLE: Yes; the term of certain commissioners will expire however.

Mr. GREEN: When was the last long-term commissioner appointed?

Brigadier MELVILLE: In 1945.

The CHAIRMAN: As I pointed out in connection with Mr. Fulton's suggestion it has been the idea all along for parliament to preserve the independence of this commission as a judicial body as much as possible. If the terms of appointment are too short and these people have to come up for reappointment, it does strike at their independence from the government of the day.

Mr. CROLL: There is the matter of security of their job.

The CHAIRMAN: Yes; and then the suggestion to shorten the term would make them more at the disposal of the government of the day in regard to reappointment. I think this would be a step in the wrong direction.

Mr. FULTON: They are all civil service appointments, are they not? I do not know how that could be.

The CHAIRMAN: I do not think your own party would even advocate that.

Brigadier MELVILLE: The last renewal was on the 1st of September, 1944, for seven years.



Mr. GREEN: Are there any of the present commissioners who did not serve in either war?

Brigadier MELVILLE: No.

Mr. SINCLAIR: We are getting back to the medical commissioners. Is there ever a board of three commissioners of whom two would be medical commissioners?

Brigadier MELVILLE: That would be a most unusual occurrence. Appeal boards are constituted, as a rule, with one medical adviser, and that I consider is very essential—I should say one medical commissioner.

Mr. SINCLAIR: Premier Jones of Prince Edward Island, at the Dominion-Provincial Conference, stated, I believe, that lawyers should not sit on boards but be hired for their advice, and it seems to me that the view which veterans have, and I share it myself, is that there are too many doctors on the Commission and that the opinion of the medical profession is given too much weight against the layman's judgment.

Brigadier MELVILLE: As regards the initial decision rendered by the commission in the great majority of cases the decision is rendered by two commissioners, neither of whom may be a doctor. When that case comes up for renewal the same situation may apply, and again it may be any two of the commissioners. When the case does go to appeal and most probably is a case where the decision is in the balance, shall I say, it is very advisable that we have the benefit of medical advice and a doctor should be a member of that appeal board.

Mr. GILLIS: I judge from your statement that the personnel of the commission are all taken from the officer class. The 1940 committee, discussing the personnel of the commission, recommended that if at all possible the rank and file of the service should be represented on the commission. Have you any rank and file of the services presently serving as commissioners?

Brigadier MELVILLE: Yes, Commissioner Bray, for one. The chairman of the commission, started as a buck sapper. Commissioner Chute served in the ranks. Commissioner Barnes, I am quite sure, has served in the ranks. He returned to Canada and graduated in medicine and then returned to the R.C.A.M.C. in World War I. Commissioner Bridges, I think, was in the ranks; there are probably one or two more, Mr. Gillis, who performed good rank service, front line service, who are commissioners.

The CHAIRMAN: Now, then, what is the wish of the committee with regard to the commission drafting a proposed section 3? What does the committee really wish to have embodied in their proposed section?

Mr. CROLL: You have the recommendation.

The CHAIRMAN: It is suggested that it is not necessary to have a motion to that effect. Is it the desire of the committee to accept the proposal of Mr. Mutch?

Mr. GREEN: Mr. Chairman, for example, take subsection 3(a) of section 3. It provides that an acting chairman may be appointed, and reads: "In the event of a vacancy occurring in the chairmanship of the commission for any cause, the Governor in Council may appoint a judge of the superior court of any province to be acting chairman of the commission for a period not exceeding two years." Now, you are making a new provision that there shall be what is called a deputy chairman or an assistant chairman. Is it the intention that in the event of a vacancy occurring in the chairmanship that this deputy chairman or assistant chairman is to step in and become the chairman, or are we to have the present provision apply that the acting chairman must be a judge of the superior court?

The CHAIRMAN: 3(a) would apply, of course.

Brigadier MELVILLE: The provision to which you refer was especially inserted into the Act when a very large review was being carried out and Mr. Justice Taylor was appointed; but it says "may". That is purely a provision in the Act to meet a situation that did arise but probably would not arise again.

The CHAIRMAN: It was permissive to meet that particular situation. It was the desire to have Mr. Justice Taylor act at that time.

Mr. GREEN: Is it the intention now that if there should be a vacancy the deputy chairman would step in and take over?

The CHAIRMAN: That would be a matter for decision at the time.

Mr. SINCLAIR: Is that true in the House of Commons? If the Speaker goes does the deputy Speaker take over?

Mr. CROLL: That is hardly on the same basis.

The CHAIRMAN: There would still have to be a vacancy in the chairmanship and there would have to be an appointment made.

Mr. GREEN: Before we drop this section, I wonder if we could have from the chairman a full explanation of the position of the Veterans' Bureau. The commission is being built up all the time, and I am a little concerned about the position of the Veterans' Bureau. They are appointed for the one purpose of protecting the veteran. They are supposed to.

Mr. MUTCH: You mean the advocates?

Mr. GREEN: They belong to the Veterans' Bureau. They are supposed to be away from the control of the commission. In fact, if they are not kept independent of the commission their use is restricted. I would like to know what the present position is with regard to the Veterans' Bureau, and I think, perhaps, it would be worth while for us to have someone here from the Veterans' Bureau to give us their picture of what provision should be made in the Act to ensure their independence.

Mr. MUTCH: Are you suggesting that they are not independent? Is there a serious question of their independence?

Mr. GREEN: In my opinion the Veterans' Bureau have not now got the independence they should have or the power that they should have. I think this should be directly under the minister, and they should be absolutely independent; otherwise they are hampered in protecting the veteran; and the veteran gets the idea that the Veterans' Bureau is not his friend but that it is the friend of the government. I think that is a situation that this committee has got to go into very carefully.

Mr. MUTCH: I agree with you, but I was wondering if it is your suggestion that they are in fact not independent or that they are losing their independence because some disgruntled veteran may suggest that they are.

Mr. GREEN: I think they are not as independent as they should be and now is the time to remedy the situation.

Brigadier MELVILLE: Mr. Green, I thank you for the opportunity to pay a tribute to the Veterans' Bureau and explain the situation. The Veterans' Bureau is entirely an independent body; it has nothing to do with the commission; it is part of the department. It does not even occupy the same building with the commission. It has access to all the files and all the records. Ever since this committee has been sitting here there has been an observer from the Veterans' Bureau present. At a previous meeting I suggested the advisability of having the chief pension advocate, Brigadier Topp appear. The Veterans' Bureau does a tremendous job for the veteran. They do not hesitate at any time, either through the chief pension advocate or locally, to get after the commission or the commission's representatives in the field. We welcome their constructive suggestions, and they most certainly maintain their indepen-

dence. The correspondence alone will show that. The Veterans' Bureau is part of the department. It provides service, and I know it is a most excellent service, to all veterans, that service being supplied without cost. Really, there is not much more I can say although I could go on talking a great deal, because I have a great regard for them. Is there anything else you want me to add?

Mr. GREEN: Perhaps the best plan would be for us to have Brigadier Topp come here to explain the position of the Veterans' Bureau.

The CHAIRMAN: I might explain that they are having difficulty in getting lawyers to work at the salaries which are provided for advocates, and our department is urging that the salaries be raised so the Veterans' Bureau can get the right type of lawyer to fill these positions.

Mr. CROLL: What are they being paid?

The CHAIRMAN: I think the top limit is \$3,900.

Mr. MUTCH: They are fine fellows, but is it not inevitable so long as they are paid by the government that the unsuccessful veteran will—whether he expresses it or not—feel that he could have done better if in some way he could have retained his own counsel. That is human nature. I rather deprecate the idea of us getting into a lengthy discussion which would lend any credence to the suggestion that the Veterans' Bureau are not completely independent.

Brigadier MELVILLE: The only added observation I would like to make is this: the Legion has a service bureau and that service bureau performs a great function and has through their provincial adjustment officers and through the dominion chief pensions officer and staff. The Legion will deal with the furtherance of a claim for pension, but when that case goes to appeal the Legion will turn it over to the Veterans' Bureau and ask them to go ahead. That is just a tribute to the confidence that the Legion has not only in the Veterans' Bureau but in the independence of the bureau. They may have an observer sit in at an appeal board hearing, but actually the case is dealt with by the Veterans' Bureau.

Mr. BROOKS: The Veterans' Bureau appear before the commission itself and conduct the case?

Brigadier MELVILLE: Yes. But the man may select his own advocate. He has the right to select his own lawyer—the Veterans' Bureau or the services of any of the organizations of ex-service men.

Mr. HERRIDGE: Mr. Chairman, I just want to say as president of a Legion branch for 10 years, as secretary for 6 and a member of the provincial executive of the Legion in British Columbia for some years, I have had the opportunity of handling hundreds of pensions cases for men, and never in one instance have I heard of the independence of the Veterans' Bureau representative questioned.

Some hon. MEMBERS: Hear, hear.

Mr. HERRIDGE: I think that is general throughout our part of the country.

Mr. GREEN: Who do the Veterans' Bureau report to?

Brigadier MELVILLE: They are responsible to the deputy minister of the department. It is a separate branch of the department, responsible to the deputy.

Mr. GREEN: I wonder if we could have Brigadier Topp here before we decide on this section?

Mr. MUTCH: On what item should we call him?

The CHAIRMAN: I would have no objection to calling him, but it is a matter of deciding when we would call him.

Mr. BROOKS: Why not let that stand?



Mr. MUTCH: Section 5 has to stand for amendment anyway.

The CHAIRMAN: Is it the desire of the committee to hear from Brigadier Topp tomorrow?

Mr. GREEN: I think this section should stand.

Mr. CROLL: The section may stand; but in my experience, I never heard of the question raised by Mr. Green. No doubt it has been raised, but it certainly is not general. I do not think it is anything we need to worry about at the moment. The question of the independence of the advocate never seems to come up. I think it is more or less as Mr. Mutch says, that there is the odd one who is not satisfied.

Mr. GREEN: I am not questioning the Veterans' Bureau for one moment; but I suggest this, that the Veterans' Bureau, under the Pension Act as it reads at the present time, has not got the power it should have if it is to represent the veterans to the fullest advantage.

Mr. CROLL: What other powers should it have?

Mr. GREEN: If you read through the Act, you will find that the Veterans' Bureau powers are very restricted; and I think it is important that we should have someone here to explain the whole picture.

The CHAIRMAN: Gentlemen, to save time, may I say that we have Mr. Wilson here who has acted as chairman of the Veterans' Bureau all through the war. He acted as chairman and as chief pensions advocate all through the war. He is here. He has been following our proceedings and perhaps if we heard from him for a few minutes we might just dispose of this right now and save time perhaps. Is that satisfactory?

Mr. CROLL: Let us hear him.

Mr. GREEN: I am not questioning the Veterans' Bureau. I am saying they have not got the power they should have.

The CHAIRMAN: This gentleman is likely well known to all the members of the committee.

Mr. E. V. WILSON: Mr. Chairman and gentlemen, I have been listening to the committee's proceedings for some days. I have come here at the request of my chief, Brigadier Topp. He has asked me, if I had occasion to say anything, to say that he would be very pleased to come over and give any assistance that he can to the committee. He has not authorized me to speak for the Veterans' Bureau; but as I say, he would be very pleased to come over and give any assistance he can at any time. I think that is all I can say at the moment.

Mr. QUELCH: Mr. Chairman, I should like to pay tribute to the work of the chief pensions advocate. I have found the help of Brigadier Topp in the past of tremendous value. Perhaps there is a certain amount of truth in what both Mr. Mutch and Mr. Green have said, that individuals actually do appeal on the ground that they are not completely independent of the government. But you will hear that charge made against other bodies. I have heard it made even against the Legion, in view of the fact that the Legion receives a certain sum of money from the federal government. You will always hear that charge made, but I do not think it carries any weight.

The CHAIRMAN: What I would suggest to the committee is this. If there is not any great amount of importance in this matter, and judging by what the members of the committee have said there is not, then the question is: should we delay our proceedings any further in this matter or should not we proceed? Because we have a tremendous amount of work to do and we cannot take the time we are taking on some of these questions if we are going to get through the work we have got to do. I ask the committee to bear that in mind in any decision they make.

Mr. BROOKS: I am satisfied that there is no criticism of the independence of the Veterans' Bureau. I do not think Mr. Green or anyone else wishes to state that. But I think the suggestion is that, while we are reviewing this Act, we might get some assistance from the Veterans' Bureau on points on which they may possibly feel they are restricted. It is simply to assist them in their work; that is all. Frankly, I quite agree with Mr. Green that we should have Brigadier Topp here before the committee. I cannot see where there would be any disadvantage to that.

Mr. MUTCH: On that interpretation, I think everybody would agree.

Mr. BROOKS: That is exactly what was said.

Mr. MUTCH: That is not what Mr. Green said.

Mr. FULTON: It is.

Mr. MUTCH: I am as able to understand English as you are.

Mr. CROLL: I just looked over the powers under the pension bill, and I do not know what is lacking; but I should be glad to hear.

Mr. BROOKS: I really do not know either.

The CHAIRMAN: Of course, if we are going to take time to discuss things that we are quite satisfied with, we will not get over the work we have to do.

Mr. GREEN: Then, Mr. Chairman, I will put it that way, that I am not satisfied that the Veterans' Bureau have the power that they should have. I think that one of the most important things that we can do is to go into that situation. They are the people who are fighting for the veteran, and I think it is of the greatest value that their opinion about this act should be heard.

The CHAIRMAN: If it is the desire of the committee to take a day to go into that point, the committee may go into it.

Mr. GILLIS: Mr. Chairman, I want to put myself on record as agreeing with Mr. Herridge and Mr. Quelch. I, too, have had a lot to do with the pension machinery and Veterans' Bureau, and I have never found their independence restricted. I think within the limits of the Pension Act they have done an excellent job.

Mr. BROOKS: That is so.

Mr. GILLIS: If we want to perform a service in the way of giving them more independence, I think we have got to do a job on the Pension Act and broaden the scope of the Act itself. In that way it will help the whole administration. There is only one thing I disagree with with regard to the Veterans' Bureau. I do not think the position of pension advocate should be delegated to lawyers only. There are hundreds of young men across this country, particularly branch secretaries of the Legion, who know that Pension Act inside out and have made it their business for years.

Mr. BROOKS: If they are doing good work, what odds does it make what their profession is?

Mr. GILLIS: I have seen appointments made to these positions and I know in many instances there were better men dealt out of the job because they did not belong to the legal profession. I think that limiting factor should be removed.

Mr. CROLL: It is not a limiting factor. The Act does not say they must be lawyers.

Mr. GILLIS: That is the way it is administered.

Mr. GREEN: No. Ours is not a lawyer.

Mr. CROLL: Section 10 (1) of the Act says "as far as may be practicable."

Mr. GILLIS: We have made representations on this many times, and we have always got the story back that because he was not a member of the legal profession he could not be appointed. I suggest that should be corrected. As for myself, I think it would be a waste of time to bring Brigadier Topp here.

What we have got to do is do a job on this Act, and then we will help everyone who has to administer it.

Mr. QUELCH: Mr. Chairman, I should like to get some information. It is true, is it not, that even after a decision has been handed down to the appeal court, the Veterans' Bureau, upon submitting new evidence, is able to get the case re-opened? I know it was done several years ago, but it is still possible, is it?

Brigadier MELVILLE: Yes. That provision is in section 57 (4) of the Act.

The CHAIRMAN: Might I say this to save time. I will have Mr. Wilson bring the remarks that have been made to the attention of Brigadier Topp, and if he feels that he can make any memorandum in the way of a submission to the committee that would be helpful to us, in the light of those remarks, we say to him that we would welcome that memorandum tomorrow or Tuesday. Is that satisfactory to the committee?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: We may take it that suggestion of Mr. Mutch will be embodied in a proposal of this committee?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Then clause 6 is the next.

6. Paragraph (f) of subsection (1) of section 11 of the said Act, as enacted by section 6 of chapter 23 of the statutes of 1940-41, is repealed and the following substituted therefor:

(f) no pension shall be paid for disability or death incurred by a member of the forces,

(i) while on leave of absence without pay, or

(ii) *while absent without leave, or*

(iii) when such member of the forces has, during leave of absence with pay, undertaken an occupation which is unconnected with military service,

unless his disability or death was attributable to his military service.

That introduces a change in the Act to make it conform to the present practice, that pension shall not be paid for disability or death incurred by a member of the forces while absent without leave.

Mr. CROLL: What is that term, "absent without leave"?

Mr. BROOKS: In connection with that, Mr. Chairman, I am just wondering about a man who goes absent without leave, stays absent for 25 or 30 days and then returns to camp. Suppose something happens to him on his way back, reporting back for duty. Would he then lose his pension?

Mr. CROLL: Yes.

Mr. BROOKS: That is, it would be a matter over which he would have no control at all.

Mr. MUTCH: Do you mean voluntarily returning?

The CHAIRMAN: Mr. Conn will just tell us the practice in that regard.

Mr. CONN: Mr. Chairman, might I be permitted to give two illustrations, two cases which have been actually ruled upon. This question of absence without leave, is dealt with under section 12 of the Pension Act. Section 12 of the Pension Act is one of those very few sections which state specifically that no pension shall be paid. Then there is a subsection there which gives the commission discretion to pay pension. I am only illustrating how this is put in operation by an actual example. Two men were absent without leave. They slept out in a barn. Their legs were both frozen and amputations followed. In one case we ruled no pension shall be paid on account of the disability as it is due to improper conduct, and in the other case we pay pension.



Mr. CROLL: In which case were you right?

Mr. CONN: I will give you the circumstances, Colonel Croll. In one case the man went absent without leave. He was absent for a considerable period of time. He was sleeping out in a barn. He was drinking. It was in the winter time. Both legs were frozen and amputated, and no effort was made to return to camp. He was evading arrest, as a matter of fact. In the other case, the man had been absent without leave for some time, but was on his way back to camp and was sleeping in a barn; he was endeavouring to get back and his leg was frostbitten.

Mr. CROLL: What do you mean by "some time"? Can you give us, roughly, some date, such as 5 days, 3 days, or what?

Mr. CONN: I have not got the record and it would be dangerous for me to speak without the record. But I think in one case it was 38 days that one man had been away, and in the other case something else. It is a case under improper conduct, you understand; it is a question of absence without leave; the idea being that the one man was trying to get back to camp, so we pensioned him although he was absent without leave. Does that make it clear?

Mr. QUELCH: Mr. Chairman, did we not jump a section? In the suggested amendments to the draft bill to amend the Pension Act it states "the introductory words—"

Mr. CROLL: We are working on this, and then we will go back.

Mr. WRIGHT: Mr. Chairman, I should like to ask a question with regard to men who were detailed by the army to engage in civilian occupations. Were they pensionable for accidents which happened in those civilian occupations, when they were in that detail?

Brigadier MELVILLE: If a man was ordered out and disability or death was incurred, that is pensionable.

Mr. CROLL: On leave?

Brigadier MELVILLE: But if he is on leave of absence without pay, then he is not. He is prohibited from getting pension by section 11 (1) (f) of the Act.

The CHAIRMAN: Subsection (i) covers it.

Brigadier MELVILLE: Section 11 (1) (f) reads as follows:—

No pension shall be paid for disability or death incurred by a member of the forces,

(i) while on leave of absence without pay.

Mr. WRIGHT: I have reference to cases with regard to agriculture, where men were detailed in harvest time to go out and work in the harvest fields.

Brigadier MELVILLE: He is covered. He is ordered out. He is fully covered.

Mr. QUELCH: How long would a man have to be absent without leave?

The CHAIRMAN: Here is the question that comes up now. I understand from Commissioner Conn that if a man was on his way back while he was absent without leave, they have in the past given a pension.

Mr. CONN: That is quite right.

The CHAIRMAN: If we introduce this amendment, it will be impossible for you to do that.

Mr. BROOKS: Yes, without some change.

Mr. CROLL: Suppose he has been absent 2 days and he is on his way back; he has missed the train and something happened to him. He would be out. I think that is a very dangerous amendment.

The CHAIRMAN: I think that should not go in the way it is.

Brigadier MELVILLE: May I explain it to this extent, Mr. Chairman? When this man is absent without leave and some disability is incurred, the commission has to deal with his claim under the provisions of section 12 of the Act, improper conduct. Suppose it was a broken leg, or something. You cannot say that was improper conduct. It was incurred during a period when he was absent without leave. His absence was improper conduct within the meaning of his militia active service. What we were suggesting was to bring this in here and regularize the procedure. But the commission is quite prepared to withdraw this recommendation. We thought we should bring this forward before the committee, but we are quite prepared to withdraw it and to carry on and conform to the practice of the commission which, I assure you, has been very favourable indeed.

The CHAIRMAN: I think we had better leave it the way it is.

Mr. GREEN: If these words are left in, which in effect say that no pension shall be paid for a disability or death incurred by a member of the forces while absent without leave unless his disability or death was attributable to military service, they will restrict the rights of the veteran, will they not?

Mr. CROLL: There is no question of that.

Brigadier MELVILLE: We had no such intention.

Mr. GREEN: But in effect they are a restriction of the rights of the veteran.

The CHAIRMAN: I think we had better drop this thing and be done with it.

Some Hon. MEMBERS: Drop it.

Mr. GILLIS: I should like to check on that answer made by Brigadier Melville to Mr. Wright. He said that anyone who went off to harvest in agriculture was covered for pension purposes.

Mr. GREEN: Oh, no.

Mr. FULTON: If they were detailed to go.

Mr. GILLIS: Just a minute. There was none of that.

Mr. BROOKS: Yes, there were hundreds detailed.

Mr. GILLIS: The answer is misleading. Under the Fuel Emergency Order there were hundreds of men sent back from the services to the coal mining industry, but it is my conception of their coming out that they made an individual application and were granted leave of absence without pay to go back to that industry; they are not covered in any way.

Mr. CROLL: That is right.

Mr. GILLIS: If that answer goes out as Brigadier Melville gave it to Mr. Wright, I am liable to have a flock of letters coming in asking for pension for injuries received by miners in that occupation.

Brigadier MELVILLE: I thought my reply was very clear, Mr. Gillis. There are various categories. There is the man who was working on the farm, the man working in the mines, and the man working in the forests. The distinction is this, that where a member of the forces applied for and was granted leave of absence without pay, he is not covered for any disability which was incurred during that period. If, however, he was ordered out by his commanding officer, as thousands were, to work on the farms, possibly in the mines, possibly in forestry—if he was ordered out, then he is fully covered and subject to all the provisions of the Pension Act.

Mr. GILLIS: Was he not on leave of absence without pay?

Brigadier MELVILLE: No.

Mr. GILLIS: He got his army pay?

Brigadier MELVILLE: Yes.

Mr. CROLL: That is the point.

Mr. BROOKS: I remember in my own camp, when there was a strike in Halifax in the dockyards, they ordered 1,000 men out of the Windsor Camp to go down and do the work that the longshoremen or that the strikers were doing. They were ordered out. Some of the men were injured and they would get pension, as I understand it.

Brigadier MELVILLE: That is quite correct.

Mr. BROOKS: They also ordered them out for apple picking and so on in the Annapolis Valley. Those were ordered; but others asked their commanding officer for leave to go farming and mining.

Mr. CROLL: Dropped.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

Mr. GREEN: Mr. Chairman, before you leave section 11, subsection (1) I think that recommendation that was passed by the committee on Tuesday should be included in the draft bill, as it is recommended to the House; that is, that the words "was wilfully concealed" be taken out of section 11 (1) (c). There should be a section in this bill to that effect.

The CHAIRMAN: That just brings up the question of how, as a matter of common sense, we are going to proceed. It was suggested at the start of proceedings that anything we recommend shall be made in a report to the House. But when the government has already said that it will not accept any particular section, what good purpose is there in embodying it actually in our proposed draft bill? Does that not just complicate the situation?

Mr. CROLL: It does not stop Mr. Green from discussing it. If it does not appear, it does not stop him from discussing it.

Mr. GREEN: The wish of this committee was that provision be in the amendments to the Pension Act. We are going to recommend to the House a draft bill, and the draft bill should contain that clause just as it contains any other recommendation that the committee makes.

Mr. CROLL: The government have already said they will not accept it. How could they possibly bring in a bill with it in?

Mr. GREEN: The minister did not say that he would not accept it.

Mr. CROLL: Wilfully concealed?

Mr. BROOKS: He did not say that particular one. He made a general statement; that is all.

Mr. MUTCH: As a matter of fact, there was a subsequent motion that the minister said would not be accepted. All he said with respect to the resolution of this committee, which carried, was that he would have to reserve consideration of it for his colleagues, as it involved the expenditure of money. He did not say that it would not be accepted. He did not give us any particular hope that it would be, though. He simply did not discuss that aspect of it. There was a subsequent motion that he said flatly he would not entertain; that resolution was lost in the committee and so it has no further bearing.

Mr. GREEN: Our procedure is to bring in a draft bill to the House.

Mr. MUTCH: To amend the draft bill put before us.

Mr. GREEN: No. When we report, we report back a draft bill. We did that last year.

Mr. MUTCH: To be consistent, I think Mr. Green is right. I think it is useless, perhaps, though.

The CHAIRMAN: It just brings up the question that I thought of at the time the motion was made and was being discussed, that this thing would have to be, perhaps, decided again. Obviously the decision made on Tuesday in regard to the general principle is not binding on this committee when it comes to the



proposed draft bill. If we are going to debate all over again as to whether it goes into the bill or not, then it is going to take more time again.

Mr. FULTON: Is the draft bill, as it were, submitted by the committee, or is it submitted by the government and the House is told that it has been approved by the committee?

The CHAIRMAN: We, in our best judgment, report a draft bill.

Mr. FULTON: The committee does?

The CHAIRMAN: Yes.

Mr. FULTON: Then I think it should be in.

The CHAIRMAN: We made a decision on a question of principle that it should be taken out at that particular time. If Mr. Green wants to bring the question up again and say that question should be re-introduced again, then we will have to have a vote on it again.

Mr. LENNARD: I do not see it that way at all, Mr. Chairman. I think Mr. Green merely suggested that this was passed the other day, and it should be in form of a recommendation when the bill is brought in.

The CHAIRMAN: That is what I understood.

Mr. LENNARD: There is no sense in moving a bill from this committee, as approved by the committee, when it was not altogether approved. I will not stand for that kind of thing.

Mr. CROLL: But it was approved.

Mr. LENNARD: If it is approved, it should be approved with certain recommendations. There is one that was passed the other day that is certainly something that we recommend in our opinion should be added.

Mr. MUTCH: Mr. Chairman, I hate to get involved in this, but I need light; and the only way to get it is to ask questions. As I understood it the other day, we had a motion on a principle, on which discussion occurred then, on a recommendation of the Legion. We were not at that time discussing the pension bill. Today we are engaged in discussion of the pension bill, or a draft bill, clause by clause, which began subsequently. It will be in the discretion of this committee, I should judge, when we come to deal with the proper section of the draft bill which we propose to recommend, either to implement our expressed opinion of the other day or to disagree. I think it is inevitable that in its proper place it will be discussed again. I do not think we can avoid that. The motion was not brought forward at a time when we were discussing the proper section of the bill. It was brought forward on a general discussion of a statement of principle on the recommendation of an outside body, and in fact carried and is in our record. But whether or not we will so amend the bill is a matter for discussion.

Mr. GREEN: It would be different if we had a bill here which had been referred to us by the government, but that is not this case. This is a draft bill which has no official standing at all.

Mr. MUTCH: No.

Mr. GREEN: It is simply brought in as something for us to work on. The last time what we did was that we suggested certain changes in our draft bill and then we reported back to the House that whole draft bill as finally agreed upon by us. Then subsequently the government brought in a bill themselves. They may or may not accept the terms of the draft bill we propose. That is up to them. I quite agree with the minister that it is his responsibility to decide what the bill will be. He has already made a decision of that type with regard to the firefighters. This committee did recommend on Tuesday that those words should be struck out, and this is the place to discuss it because we are on section 11, subsection (1). All I am saying is that when our draft bill goes into the House there should be a paragraph covering the deletion of those three words.

Mr. MUTCH: Then I suggest that this is the point, and that is what I wanted to know.

The CHAIRMAN: If I may say a word in regard to this, either the minister disagreed with this on behalf of the government or he did not. It is either one of the other. He either disagreed with this the other day and said that the government would not accept it or he did not. If he did surely we have expressed our dissent from the government's position enough and can embody it in a report to the House without going further and writing it into a bill which the government has already said that it will not accept. On the other hand, if he has not yet expressed his opinion can we not leave this matter for further discussion until he has expressed his opinion before we start a debate on it again? It is either one or the other.

Mr. MUTCH: If we accept the idea I put forward before, and Mr. Green's idea, that this is the item on which to deal with it then let us do one of two things in order to get the matter settled. Either Mr. Green should prepare and move an amended draft section which will embody the view of the committee on that occasion or else we must let the section stand if we accept the chairman's idea that we wait until we get a declaration as to that. It is no use beating a dead horse if we are not going to get anywhere. On the other hand, if there is still a point for consideration then would it not be the proper thing to do to move an amendment at this stage when we are actually considering the draft bill embodying the opinion expressed in that vote.

Mr. GREEN: I think that should be covered by the vote that was carried the other day. This suggestion that we must wait to see what the minister is going to do about any matter is very far fetched, and I submit that it is not a proper suggestion at all.

The CHAIRMAN: I do not know why it is far fetched. May I say a word on that? We want to get a draft bill for which there is some hope of getting it accepted by the government. If there is something that the government definitely says that it will not accept after consideration we can report to the House and put it on record that the committee has taken a certain stand and the government has not accepted it. We can write it into a bill and have the government draft a further bill that is different from ours if we want to, but I thought we agreed this morning that in cases in which the government would not accept the view of the committee we could embody it in a report to the House. I understood that was what the committee wanted.

Mr. GREEN: We have to do that, too, anyway.

The CHAIRMAN: You want it both ways? You want us to report a draft bill which embodies this recommendation and then make a report that this is what has been recommended. If we are going to put it in the draft bill there is no object in making a separate report.

Mr. GREEN: I would be satisfied to have it included in the draft bill.

The CHAIRMAN: That is what I was trying to get an opinion on. I understood it was the will of the committee to have it in a report to the House. Now I take it that Mr. Green wants it in the bill. Let us make a decision and stick to it. Let it be one or the other, but surely we do not need it in both places.

Mr. GILLIS: I do not think we need it in both places either. I think this matter should stand until the Hon. Mr. Mackenzie is with this committee again. I am afraid if he persists in the attitude he took the other day and introduces the basic legislation in the House setting out the principles then this committee is going to serve no purpose. All we do is sit and quibble on words. The matter was sprung on him pretty quickly the other day and he

did not have a chance to think about it. He has likely thought about it since, and before we make any further decision I think he should be here to clarify that.

The CHAIRMAN: I agree with Mr. Gillis.

Mr. QUELCH: I certainly think that while we are dealing with the draft bill we should deal with that question, because this section is very definitely affected by the decision passed on Tuesday. I do not think it was sprung on anybody. I think we had the weekend to consider it. It was definitely understood that this matter would be dealt with on Tuesday. We had been dealing with it on Friday and we had over the weekend to consider it.

Mr. GILLIS: I do not think anyone anticipated that vote. A lot of the members were away, and I definitely think it was a surprise to the minister.

Mr. QUELCH: Yes, many of us felt it should be kept over until Thursday. Many of us asked the chairman to keep it over until Thursday and understood that he would. Many of us were not here, but they went ahead with it, and it was a surprise.

Mr. BAKER: I should like to do anything possible to try to get along with our work and speed it up. If we are going to discuss matters the way we have been I would personally prefer doing it on the floor of the House of Commons because that is what it seems to be amounting to at the present time. If we come to some of these contentious sections—and I agree we will come to them—and it looks as if it is going to take a long time over the representations of the Legion or other outside parties then let us skip it and go on with the rest. My main interest is to try to get through with this business and not quibble so much with words. We are really making very slow progress, and frankly I am very disappointed. I was highly pleased with what we did last session but I am really very disappointed with our progress this session, and I sometimes wonder whether I am not wasting my time.

Mr. GREEN: What was the decision about section 11(1)(c).

The CHAIRMAN: As I understand the will of the committee the idea is to let section 11(1)(c) stand for the statement of the minister as to whether or not he accepts the recommendation.

Mr. MUTCH: Just stand.

The CHAIRMAN: Then we will decide what we will do.

Mr. GREEN: I do not understand that decision. I thought you said that we would either put it in the report to the House or in the bill.

The CHAIRMAN: I understand the desire is—

Mr. GREEN: I am quite willing to put it into the bill and not include it in the report to the House, but I suggest that should be done now and that there is no reason why we should wait for the opinion of the minister, that his opinion on that score has nothing to do with the recommendation that was passed the other day.

The CHAIRMAN: If it is the desire of the committee to proceed to a decision in the matter I am quite willing to have it. I take it at this stage you are moving that section 11 (1) (c) of that bill be amended by striking out the words "was wilfully concealed", and that you wish that motion to be put before the minister has made a statement as to whether or not he accepts it. I take it that is your wish.

Mr. GREEN: I am prepared to do that although I think that was carried the other day and, as a matter of procedure, it should simply be put in the bill, and this is the place to put it in.

Mr. MUTCH: I certainly cannot accept that view.

Mr. GREEN: I will move that it be put in the draft bill.



The CHAIRMAN: Is it the desire to have that motion stand to hear what the minister has to say on behalf of the government, or is it the desire to vote on it at once?

Mr. QUELCH: Go ahead.

The CHAIRMAN: Let us have the opinion of the committee on that.

Mr. GREEN: Put the motion.

The CHAIRMAN: It has been suggested that the matter stand until the minister has made a statement on it.

Mr. GREEN: That is not the motion.

Mr. QUELCH: We have already had a statement from the minister on it. Why do you want another one?

Mr. MUTCH: Before you proceed, we are dealing at the present moment with a draft of a proposed bill to amend the Pension Act. Where will this amendment be introduced into it, under what section?

Mr. GREEN: In this paragraph 6.

Mr. MUTCH: We have already agreed to delete f (2).

The CHAIRMAN: We have agreed to drop section 6 as it stands altogether. Mr. Green is proposing a new section, Mr. Mutch, that paragraph 11(1)(c) of the Pension Act be amended by deleting the words "was wilfully concealed" from that section. Is it your desire to have the question—

Mr. GREEN: That was not my motion. My motion is that our recommendation of the other day be put into this bill.

The CHAIRMAN: Is not what I have stated the effect of the motion? Write your motion out, please.

Mr. GILLIS: I think we are wasting time. I think Mr. Green is defeating the very purpose he has in mind. After the attitude of the minister the other day when he was here if we insist on writing that into the bill and expect to have that bill accepted by the government and go through the House then I say that we know that is not going to happen. I think you would be well advised to let that section stand and give the minister the privilege of coming back to this committee after thinking this matter over further and let him discuss it again with us. We may be able to arrive at some compromise. I want to see these words out of the Act, but I know that the attitude we are taking now in forcing this into the bill, forcing it on the minister against the opinion he expressed the other day, is not going to help us. He is not going to accept it. That is what he said the other day. He said it was his responsibility as the minister to see that any amendments that involved the expenditure of money were going to have the recommendation of the government.

Mr. GREEN: In that he was dealing with a subsequent amendment, not with this one.

Mr. GILLIS: He was dealing with this very clause.

Mr. GREEN: No, no.

Mr. GILLIS: Personally I want to see something done with it, but I do not think you are going to get anything done if we take the bullheaded attitude that this is where we stand and there will be no compromise. I think we will wind up where we are now. I suggest to Mr. Green that he should not insist on trying to force that through knowing very well that it will not be accepted, and that we are going to be exactly where we are with that particular clause. I am going to move an amendment that the clause under discussion be left in abeyance until such time as the minister is here again when we may discuss it further and perhaps clarify the controversy that we are having at the present time.

The CHAIRMAN: You have heard the amendment, gentlemen, that the matter stand.

Mr. GREEN: I will withdraw my motion, then.

Mr. MUTCH: I think that is the helpful attitude.

Mr. GREEN: Later on as we go through the bill I would not want it to be said, "You are beyond that section now and you cannot go back to it."

The CHAIRMAN: Nobody is ever going to say that.

Mr. QUELCH: On a point of information, are we proceeding with the draft bill and then dealing with the suggested amendments?

The CHAIRMAN: No, we will take the two together. I was going to direct the attention of the committee to the suggested amendment.

Mr. FULTON: Does Mr. Gillis' motion now stand?

The CHAIRMAN: We have dropped clause 6 as it is in the present proposed draft bill, and as to the question of the proposed amendment to section 11 (1) (c) striking out the words "was wilfully concealed"; that matter is standing for the time being.

Mr. GREEN: There is no motion.

The CHAIRMAN: There is no motion. Then there is another amendment in the suggested amendments to the draft bill to amend the Pension Act amending section 11. As it reads now it says:—

In respect of military service rendered during the Great War.

It is suggested that be re-worded and the following substituted:—

In respect of military service rendered during World War I or during World War II.

That is in order to bring the insurance principle in that regard to service in Canada. Is that satisfactory to the committee?

Mr. QUELCH: May I ask Brigadier Melville a question on this? Will all previous applications for pensions affected by this section be automatically reviewed after June 1, or will each veteran have to make a new application?

Brigadier MELVILLE: I might say that the Commission has already taken action to have the records section supply us with information and we will initiate action dealing first with those in which dependency, the greatest need, lies at the moment. We will deal with every claim and advise everyone concerned.

The CHAIRMAN: Is that carried?

(Carried).

Mr. GREEN: You are taking the words out "subject to the exception contained in subsection 2 of this section"?

The CHAIRMAN: No, that should stay in for peace time service. If you will look at your suggested amendments to the draft bill to amend the Pension Act it reads:

6.(a). Subsection 2 of section 11 of the Pension Act is repealed and the following substituted therefor:

- (2) In respect to military service in peace time, pension shall be awarded to or in respect of members of the forces who have suffered disability, in accordance with the rates set out in schedule A to this Act, and in respect of members of the forces who have died, in accordance with the rates set out in schedule B to this Act, when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made arose out of or was directly connected with such military service.

That is leaving the due to service principle in regard to service in peace time the way it has always been.

Mr. BROOKS: That means for the non-permanent active militia?

The CHAIRMAN: And also the permanent forces.

Mr. BROOKS: These men train not only in peace time. They train in war time. I remember seeing the militia training in the early part of the war and all during the war.

The CHAIRMAN: This is just service in peacetime.

Mr. BROOKS: Are the non-permanent forces covered in war time if they go out for two weeks training or training in the evening? I do not see why you differentiate between service of the militia man during war time and during peace time. These men trained for a couple of weeks during the summer or trained in the evenings.

Mr. FULTON: You mean the second battalions?

The CHAIRMAN: Their pension rights are provided for in the Militia Act.

Mr. GREEN: No, these are their pension rights here.

Mr. BROOKS: These are their pension rights here. You say they are only entitled to them in peace time.

The CHAIRMAN: They are covered in war time, too.

Mr. BROOKS: I should like to hear Brigadier Melville on that.

Brigadier MELVILLE: We are thinking along the same line, what about the reserve? That point did occur that there are numbers of the non-permanent active militia reserve army who served during the war period and with your permission, Mr. Chairman, I should like to have that looked into by the Commission and report to the next meeting.

Mr. BROOKS: Thank you. I think it should stand.

Mr. GREEN: Then the words "subject to the exception contained in subsection 2 of this section" would come out?

The CHAIRMAN: No.

Mr. QUELCH: May I ask a question? Does the insurance principle apply to the veterans who are still in the army awaiting discharge at the present moment?

Brigadier MELVILLE: They are members of the forces.

Mr. QUELCH: It is peacetime now, is it not?

Brigadier MELVILLE: But they have not been discharged from active service so they are covered.

Mr. GREEN: Is this not the picture, that those words "and subject to the exception contained in subsection 2 of this section" were only included in 1941 because subsection 2 covers the group who lost the protection of the insurance principle?

Brigadier MELVILLE: That is correct.

Mr. GREEN: Now that group are covered by the insurance principle there is no longer any need to have those words included in the bill. Is that not right?

Brigadier MELVILLE: That is right.

The CHAIRMAN: Subsection 1 would read as set out in the suggested amendments. Is that carried?

(Carried).

Now we have got 6 (a) of the suggested amendments.

Mr. CROLL: That stands.



The CHAIRMAN: I suggest that does not have to stand. That provides for protection in peacetime. The other question is a separate matter as to what protection you give to the militia in wartime, but I think we can carry 6 (a). They have got nothing to do with one another.

6. (a) Subsection two of section eleven of the Pension Act is repealed and the following substituted therefor:

(2) In respect of military service in peace time, pension shall be awarded to or in respect of members of the forces who have suffered disability, in accordance with the rates set out in Schedule A to this Act, and in respect of members of the forces who have died, in accordance with the rates set out in Schedule B to this Act, when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made arose out of or was directly connected with such military service.

Mr. BROOKS: They deal with the same people.

Mr. GREEN: That is in peacetime only.

Mr. BROOKS: I know it is in peacetime, but it is the non-permanent active militia that is being dealt with here. These men trained in wartime the same as they did in peacetime. They just had their ordinary training.

Brigadier MELVILLE: Not entirely; the non-permanent active militia, now called the reserve army, and members of the permanent force, are included.

Mr. GREEN: Subsection (2) is designed to cover the permanent forces and any man who is injured in the non-permanent forces. It is a peacetime provision.

The CHAIRMAN: Yes.

Mr. GREEN: And has nothing whatever to do with war service.

The CHAIRMAN: That is right.

Mr. GREEN: This new section takes us back to the years before the insurance principle was dropped.

Mr. CONN: This is a little different wording. Prior to this war it was what was called service as such; it had to be attributable to military service as such. This is a little broader in its application than the old service as such principle; this arises out of or is directly connected with. This extends it somewhat.

The CHAIRMAN: It only has to do with peacetime service. With regard to the other matter we will get a memorandum from the commission on it. Is it satisfactory to carry this?

Mr. QUELCH: I am not sure with regard to soldiers who are overseas or who may be overseas for four or five years: are they covered by the insurance principle, by section 2? Are they covered by section 2 regarding peace time or by the general insurance principle?

The CHAIRMAN: If we pass it as it is, I take it, Mr. Brooks—and I can be corrected if I am wrong—when peace is proclaimed they are giving service in peace time, having respect of an injury after peace is proclaimed. Any person in the armed services would come under subsection 2; but until peace is proclaimed, as recognized by the Pension Commission, they are still under the insurance principle. I think that would be correct.

Mr. CONN: Yes.

Mr. FULTON: As I recall when we were discussing the War Service Gratuity Act, certain personnel in the occupation army would cease to be regarded as on active service as at March 1946. If that is the case, I think there should be some regulation written either into this Act or may I suggest, with deference, by order in council, extending the definition of active service for the purposes of the Pension Act to cover those people.

The CHAIRMAN: If you start trying to get an order in council through there are people who will suggest that you are now in peace time and you are trying to limit some of the rights of the soldier. The commission today are regarding a person serving as having the rights of serving in war time until peace is finally proclaimed. Surely that should be satisfactory, and we do not want to start tampering with it.

Mr. FULTON: There will not be any conflict, will there?

The CHAIRMAN: The commission have full rights in this matter to make their own decision. They interpret the Act and decide on the facts.

Mr. QUELCH: Are they subject to the will of the Treasury Board?

The CHAIRMAN: No. Absolutely not. May we carry this 6(a)?

(Carried.)

The CHAIRMAN: 6(b) is probably too much to try to carry today before 1 o'clock, so we will adjourn until tomorrow at 11 o'clock in the morning.

The Committee adjourned to meet again tomorrow, May 24, 1946, at 11 o'clock a.m.

**APPENDIX A**  
**THE BRITISH MINISTRY OF PENSIONS**  
**CANADIAN OFFICE**

OTTAWA 14 May, 1946.

DEAR MR. BURGESS,—Before leaving Ottawa, Mr. Parker asked me to write to you regarding the question raised by Mr. Wright in respect of the position under Imperial regulations of British nationals who served in other Allied Forces where the appropriate Allied pension scheme is less favourable than the British scheme.

The Ministry has no scheme of supplementation to cover British members of the other Allied Armed Forces and, as Mr. Parker told the Committee, it is not known whether there were any such cases as this point has never been presented to the Ministry.

There is, however, a scheme in force which covers British seamen who served on foreign ships. Under the Ministry's regulations it is possible for the Minister to accept under these regulations, British seamen serving on foreign ships even though they were not on charter to the British Government provided death or injury occurred as a result of enemy action. It was considered, however, that in these cases, whether the boat was on charter or not, that the position of the deceased, or injured member, under the laws of the country concerned should be explored with a view to adjustment of pension. In December, 1940, a first agreement was reached with the Dutch Shipping Mission under which the Ministry were reimbursed by them for any payments made under the Ministry's Mercantile Marine Scheme in respect of British seamen serving in Dutch vessels which were on charter to the British Government. It was desired to extend these arrangements to all the Allies, but this was not practicable owing to the differences in their pension laws and in some cases the absence of any such provisions. In order to obtain uniformity in the treatment of British seamen, not only in the matter of compensation for war injuries, but also as regard industrial accidents, loss of effects, maintenance and repatriation, extra wages and Shipwreck Unemployment Indemnity, social insurance, and facilities for allotments, etc., an agreement was then reached with the Representatives of the Allies under which a Shipowner, who engaged a British seaman through the Merchant Navy Pool or a manning organization under the control of the Ministry of War Transport, was required to effect insurances against these liabilities, capital sums being fixed for the purpose of insurance against the benefits of the Mercantile Marine Scheme. The arrangements were deemed to have come into operation on 1st January, 1943, but they had been applied in certain cases, e.g. Panamanian and Venezuelan vessels during 1942 when slightly different capital values were quoted.

In practice the amount collected under the insurance arrangements was paid to the Ministry who already had made an award under Ministry regulations.

With regard to cases arising prior to the 1st January, 1943, various arrangements were made with the foreign Governments concerned and in the majority of cases these Governments paid to the Ministry the amount due under their regulations—usually a lump sum payment—in abatement of the award already made under Ministry regulations.

You will note, therefore, that there is no supplementation, as such, by the Ministry as the Ministry's award to which the mariner has a statutory right is always higher than the award made by the Foreign Government, or the annuity value of the insurance in cases occurring after 1st January, 1943.

Your sincerely,

GEO. H. BOWLER,  
*Ministry Representative.*



Canada - Veterans Affairs, Spec  
"Other on, 1946

SESSION 1946

HOUSE OF COMMONS

## SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

## MINUTES OF PROCEEDINGS AND EVIDENCE

No. 21

FRIDAY, MAY 24, 1946

WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the  
Chairman, Canadian Pension Commission.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946



## REPORT TO THE HOUSE

FRIDAY, May 24, 1946.

The Special Committee on Veterans Affairs begs leave to present the following as a

### FIFTH REPORT

Your Committee recommends that the government take immediate action by Order in Council to restore the application of the so-called "insurance principle" in the Pension Act to veterans of World War II who served in Canada only.

All of which is respectfully submitted

WALTER A. TUCKER,  
*Chairman.*

## MINUTES OF PROCEEDINGS

FRIDAY, May 24, 1946.

The Special Committee on Veterans Affairs met at 11 a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Bentley, Blair, Brooks, Emmerson, Fulton, Gillis, Green, Harkness, Herridge, Jutras, Kidd, Marshall, Mackenzie, McKay, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Tremblay, Tucker, Winkler, Winters, Wright.

*In attendance:* Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission.

On motion of Mr. Quelch it was resolved that the recommendations of the committee respecting amendments to the Pension Act be embodied in a proposed bill; that, before such proposed bill is reported to the House, the committee meet in camera for discussion with the Minister and that any proposals, not in accord with the Committee's recommendations, put forward by the Minister at the private meeting be further discussed in open meeting.

On motion of Mr. Gillis, it was resolved that the recommendation of the Committee respecting Supervisors and Fire Fighters in The Corps of Canadian (Overseas) Fire Fighters be not now reported to the House but that it be referred to the subcommittee appointed to study the proposed bill respecting civilian war pensions and allowances for embodiment in an all-inclusive bill covering civilian groups.

Messrs. Melville and Conn were recalled and questioned.

The Committee resumed consideration of the proposed bill to amend the Pension Act.

The draft bill was amended by the addition of the following as clause eight:

8. Subsection three of section eleven of the Pension Act is repealed and the following is substituted therefor:—

(3) Notwithstanding sections twenty-seven and thirty-seven of the Pension Act, in the case of a pension awarded for disability or death in respect of military service during World War II that was wholly rendered in Canada on and after the twenty-first day of May, one thousand nine hundred and forty, and no part of which was rendered in a theatre of actual war, when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made did not arise out of or was not directly connected with such military service, the pension shall not take effect on any day prior to the first day of June, one thousand nine hundred and forty-six.

On motion of Mr. Green, it was resolved that the draft bill be further amended by the addition of the following as clause nine:

9. Paragraph (c) of subsection 1 of section II of the Pension Act is repealed and the following substituted therefor:—

(c) no deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during World War I or during World War II, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforesaid wars; provided that service by a member of the forces in a theatre of actual war may



only be counted for the purposes of this paragraph when it has been rendered in the particular war with reference to service in which pension has been awarded; and further provided that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was obvious or was recorded on medical examination prior to enlistment.

Clauses seven, eight, nine and ten were renumbered as ten, eleven, twelve and thirteen respectively.

Clause ten was adopted without amendment.

On motion of Mr. Pearkes, sub-clause one of clause eleven was amended by the deletion of the words *and further provided that in cases in which the pensioner in question is pensioned in respect of service during World War I, such children were born prior to the first day of May, 1944*, in lines 13 to 16 inclusive thereof, and by the deletion of the words *and further provided that, in cases in which the widow in question was in receipt of pension in respect of service during World War I, such children were born prior to the first day of May, 1944*, in lines 25 to 28 inclusive.

Clause eleven, as amended, and clause 12 were adopted.

At 1.05 p.m., the Committee adjourned until Monday, May 27, at 11.00 o'clock a.m.

A. L. BURGESS,

*Clerk of the Committee.*

## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 24, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The first item this morning is the presentation of the draft fifth report of our special committee. The understanding was that I would read it to the committee this morning and, if it met with your approval, I would sign it and present it. The report reads:

The Special Committee on Veterans Affairs begs leave to present the following as a fifth report.

Your Committee recommends that the supervisors of the auxiliary services and fire fighters of the Corps of Canadian Fire Fighters despatched overseas be accorded all benefits, pensions, rehabilitation rights and income tax exemption as members of the armed services.

Your committee further recommends that the government take immediate action by order in council to restore the application of the so-called "insurance principle" in the Pension Act to veterans of World War II who served in Canada only.

All of which is respectfully submitted.

Is that satisfactory?

Mr. GREEN: What about the other recommendation, Mr. Chairman? Are you going to put that in the proposed bill?

The CHAIRMAN: I understood the consensus of opinion yesterday was this. I do not know whether we came to a conclusion on it or not. What is the desire of the committee? Do they desire to have it in a report to the House or to have it in the proposed draft bill brought in by the committee?

Mr. FULTON: In the bill, I think was the consensus of opinion yesterday.

Mr. GREEN: I do not care which place it goes, as long as it is in one or the other.

The CHAIRMAN: My own feeling is that if the government is not prepared to accept it, then it would be easier to put it in a report to the House; because if the government is not prepared to accept it, it means they have got to redraft the bill which we refer to them.

Mr. QUELCH: What are you referring to now, Mr. Chairman? Are you referring to the words "wilfully concealed"?

The CHAIRMAN: Yes. It might be that there is some amendment which the committee might desire which if we put it in a draft bill might cause quite a change in the whole bill. If we know ahead of time that the government is not prepared to accept it, then it seems to me more logical to put it in a report and have the draft bill simply subject to our report.

Mr. BROOKS: I would suggest that it be put in both.

The CHAIRMAN: Well, it does not matter.

Mr. BROOKS: I think it should be in both, Mr. Chairman.

The CHAIRMAN: It does not matter. It is whatever the committee want to do.

Mr. GREEN: I am hoping that the minister has not turned it down yet.

Hon. Mr. MACKENZIE: Which is that?

The CHAIRMAN: This "wilfully concealed" phrase.

Hon. Mr. MACKENZIE: May I say a word here? In regard to the question of wilful concealment, I did not vote the other day because I think that as far as possible the minister should avoid controversy in a committee. The policy of the government will be to retain that clause in the legislation, Mr. Chairman, because it is our considered opinion, with great respect to the fine opinions I heard here the other day, that the retention of that clause is in the interests of the veterans themselves. Of course, that can be debated further, either here or elsewhere, when the legislation is referred back to this committee.

Mr. GREEN: Are the government closing the door on any suggested change yet?

Hon. Mr. MACKENZIE: Oh, not at all. My opinion would be that everything that is submitted to the House—there are two bills there now, for instance, in regard to the firefighters and supervisors—if they do not carry out your recommendations they will come back here. They will be referred back to this committee for further discussion.

Mr. GREEN: The pension bill will not be referred back here.

Hon. Mr. MACKENZIE: Yes, everything. I think that should have been done in the first place, myself.

Mr. GREEN: If we go through with the draft pension bill, surely it is not the intention to refer the bill back again, the bill that is brought into the House.

The CHAIRMAN: If we can report it unanimously, there is no reason for doing so.

Hon. Mr. MACKENZIE: There would be no reason for that if that were the case. In 1941 we introduced a bill in the House and it was very unsatisfactory. It was referred back to this committee, or a similar committee, and we certainly improved that bill very substantially here. Of course, naturally the desire of the government would be to meet, as far as possible, the recommendations of this committee. But whatever legislation will be introduced into the House will be referred back here for further suggestions or emendation that may be considered necessary.

Mr. GREEN: Do you not think, Mr. Minister, that where there has been a recommendation from the committee, as there has been in respect to these words "wilfully concealed", that that recommendation—

The CHAIRMAN: Just a minute. I do not think it is the desire of the committee that this should go on the record.

Mr. GREEN: I want it on the record.

Hon. Mr. MACKENZIE: This is off the record.

Mr. GREEN: I want it.

The CHAIRMAN: I thought we were discussing things informally.

Mr. GREEN: The minister's statement is on the record.

The CHAIRMAN: Yes, the minister's statement is on the record.

Mr. GREEN: Do you think the recommendation should be in a report from the committee, and that it should also go into this draft bill when we report it to the House?

Hon. Mr. MACKENZIE: I am afraid that I must accept all responsibility for the suggestion of draft bills. It was done purely with the idea of complete co-operation. But the fact is that the initiative and the responsibility must remain with the administration of the day, whatever that administration is. I think the methods we pursued until last year were probably better; that is,



to introduce legislation by the government and have it referred to this committee for such changes as might be agreed upon. The method of draft proposals has elements of possible controversy that I would much rather avoid, because we have been so unanimous here for so many years that I should like to see complete co-operation as far as possible.

Mr. GREEN: We were not unanimous in 1941.

Hon. Mr. MACKENZIE: No. But you agreed to the compromise in the end.

Mr. GREEN: No, I did not. I fought it through the whole committee, that is with regard to the insurance principle. I fought it all the way through the committee and in the House. There may be other changes suggested in this draft bill.

Hon. Mr. MACKENZIE: Yes.

Mr. GREEN: Which the government is not prepared to accept.

Hon. Mr. MACKENZIE: I do not know what they are, then.

Mr. GREEN: Then of course it is simply a matter of their bringing in a bill that they do approve.

Hon. Mr. MACKENZIE: Well, we will try, as far as we can, to meet the wishes of the committee. But there will be cases where, very frankly, it cannot be done. We just want complete co-operation as far as it can be obtained.

Mr. GREEN: Oh, yes; we all know that.

The CHAIRMAN: I think, in regard to all these bills, the idea would be that after we got through recommending them, and we knew what the government brought into the House, then it would be a matter of this committee making its wishes felt to the government, whether in regard to that particular bill they wished to have it referred back to this committee for further discussion. With regard to some of the bills, after we have gone through them here as draft bills I am quite sure we will not want to take the time to consider them again. The reason why it was desired to have the fire fighters and supervisors bill referred back to us was that the government did not accept fully the recommendations of the committee. In regard to the pension bill the committee will know what the draft bill recommends. They will see the bill the government finally brings in, and in the light of what they might advise as to whether they want the bill referred back to them or not. I think the government will follow the wishes of the committee in regard to whether bills are referred back or not. But there are some that they doubtless will not want to take the time to go over again if the government follow our recommendations.

Mr. FULTON: Would it not resolve the dispute if these matters on which the committee is not likely to agree, and these matters which perhaps the government feels it cannot accept, were included in a report by this committee but not in the bill itself? Because as the minister points out, the bill is in effect, and if we passed a motion differing from the bill, it has been in a report from the committee, and we can point out to the House that this was the majority recommendation of the committee but the government did not see fit to accept it and include it in the bill.

The CHAIRMAN: It is my own feeling that that is the best way to handle it.

Mr. GILLIS: Mr. Chairman, I cannot see the wisdom of the course that the minister is attempting to steer. I think he is heading into a whole lot of difficulties. In 1940 the situation was completely different from what it is today. We were merely opening the old pension machinery and relating the new forces to it, and it was not a difficult job. But today the war is over and you have got thousands of boys back. We are going to attempt to revamp the whole pension machinery in keeping with things as they are today. I can see a whole lot of controversy between members of this committee and members

of the government with respect to new principles that I think have to be written into the Act, if the minister decides that he is going to take his legislation into the House first. He is going to set the principles; that is, the basic legislation that is going to be written into the Act is going to be passed in the House and given second reading; the principles then are established. After that the bill comes back to this committee for examination. As I see it then, we are not going to be able to write any principles into the Act that we have not already decided on by second reading of the bill. In effect, all this committee is going to do then is to have the right to throw words around but not change the principle in any way. If the minister pursues that course, then I think what is going to happen is that this committee is going to split. Then you are going to go back to the House with that split and get a straight political discussion for weeks in the House on pension matters.

Hon. Mr. MACKENZIE: I hope not.

Mr. GILLIS: I am very much afraid of that, and that is what I can see happening. Then you have got all the publicity. You have got the press and every political machine in Canada, for the first time in the history of veterans' affairs in Canada, playing it up for all that it is worth for political purposes. I do not want to see that happen.

Hon. Mr. MACKENZIE: Neither do I.

Mr. GILLIS: But that is the road that we are travelling. I think we want to avoid that situation. Rather than have that, I would be prepared to suggest to the minister that, before these bills are given second reading in the House and the principles established, we take them in here amongst ourselves and fight them out here with as little publicity as possible. I have not any desire, nor has the group with which I sit any desire, to make political capital out of the unfortunate victims of the war. We want to avoid that. Let us fight the thing out here amongst ourselves, where we understand each other, and decide on the principles that we think should be written into the new machinery to bring it up to date. Let them then be recommended by the committee and then sent back to the Cabinet or treasury who, in the final analysis, are all-powerful in these matters, and see if they will accept them, perhaps, or make a compromise that is in some way helpful in getting something done. I think that we are heading for a head-on political clash if we adopt the course suggested by the minister. I should like him to think the matter over, see if we could not do the job here first and then, when we refer the bill, be as nearly unanimous as possible.

The CHAIRMAN: I think, Mr. Gillis, that you have misunderstood what the minister had in mind, with all deference. There is a suggestion, as I understand it, that we continue as heretofore, and make our proposals to the House. Then the government studies our proposals and the debates in the committee and decides what it will bring into the House; then it will have to take the responsibility for what it brings into the House. If the committee wishes any bill referred back to it, if it feels there has been sufficient change in it to warrant its being referred back, the government will refer it back a second time. In other words, that is exactly what you have in mind; that it be referred to this committee before the government is committed to it, or before anybody is committed to it, that we thresh it out and make representations. Then, in the light of that, the government makes its decision, introduces its bill and then it is referred back or not as the committee wishes.

Mr. QUELCH: That would be before second reading.

The CHAIRMAN: No.

Mr. QUELCH: Because the principle is endorsed at that time.

The CHAIRMAN: Well, the principle is not decided when it comes first to us. In other words, we will go through this pension bill and do the very thing that

Mr. Gillis has suggested. These really are proposals of the pension commission and they are proposals brought in by the various members of the committee, in this draft bill. Then the government studies our report to the House and our debates, and it decides what bill it will introduce into the House. That is exactly what Mr. Gillis had in mind.

Mr. GREEN: Is not the course which we have been following the best one?

The CHAIRMAN: I think so.

Mr. GREEN: That is, the department has submitted a draft bill, and it was my understanding that that draft bill was submitted giving the committee full scope to change it as they saw fit.

The CHAIRMAN: It is just something to work on; that is all.

Mr. GREEN: Yes, just something to work on. Now, can we not go ahead, work on this bill and make whatever changes we think fit in it, go just as far as the majority of the committee wants to go in altering this draft bill; then when we finish, bring in a report which contains this draft bill as amended by the committee, so that it then stands as a report from the committee? The government can take it or leave it. If they do not want the whole thing it is their responsibility to decide how far they can go. Then the government bring in legislation—which this draft bill is not—and it takes the usual course in the House. That is what we did last fall and it worked out very well. I submit to the committee that if we follow that course, then the change that was recommended on Tuesday to strike out the words “wilfully concealed” should be included in this draft bill just the same as any changes made on Mr. Gillis’s suggestion if Mr. Gillis moved half a dozen other changes that he could persuade the committee to adopt, should be written into the draft bill. Finally, when we have got through the whole draft bill and made all the changes we wish to make, we can report the bill as amended. If you are going to follow a practice in this committee of leaving out an amendment that the government does not like, and refusing to put in this draft bill any amendment that the government do not want, then I agree with Mr. Gillis; I think the committee is in an impossible position and that the net result will be one grand brawl. Such a procedure is entirely out of line with the practice we followed last year. It would be entirely out of line with that.

The CHAIRMAN: It is for the committee to say.

Hon. Mr. MACKENZIE: Mr. Chairman, I want to say one word. I think we have all been in committees for many years. The present practice was never adopted until last year, and as Mr. Green has said, I think it worked fairly well last year. But everyone here will agree with me at once, I think, that the ultimate responsibility for legislation must rest with the administration of the day. There are two principles involved here. One is the essential principle of co-operation of which we have a very fine example, I think, in this committee this year. The second is the ultimate principle of responsibility which must rest with the administration of the day. I agree with Mr. Gillis 100 per cent, that the last thing in the world we want is any discussion of a political nature. That is the last thing we want. We have all got the same objectives and ideals in mind which may be summed up by saying we want to do the best we can for those who served in the various wars. That was the basic idea that I had in suggesting this new procedure a year ago. There may be things recommended in very good faith and with all sincerity, in this committee, but which the administration of the day, whoever they may be, cannot accept. I think we can work this thing out all right by co-operation. As far as I am concerned, in regard to a principle on which we cannot agree, we could meet in camera as committees generally do in this House, and discuss it, as Mr. Gillis suggested, thoroughly and in the most sincere way in the world, without any of these results



that sometimes flow from public discussions and which might be unfortunate for the case we all have at heart. I think, Mr. Chairman, we could work this thing out very, very practically and very effectively. I think Mr. Gillis, Mr. Green, the chairman, myself and the rest of you are not very far apart; but there will be some things that may commend themselves to the committee which possibly the government may not be able to accept.

Mr. QUELCH: Mr. Chairman, it does seem to me that the logical procedure to follow would be to go through the draft bill, to make any amendments as we go through it that we think should be made, as far as the committee is concerned, irrespective of what the policy of the government might be at that time. Then having concluded the draft bill or the revision of the draft bill, the minister could intimate to us how far he thought the government were prepared to go with those amendments. Then we could meet again in camera on that amendment. I say first of all that the committee should be absolutely free to express what it thinks should be done with this draft bill and to put in whatever amendments it thinks should be put in, and the final responsibility will rest with the government as to whether or not they will adopt those amendments.

Hon. Mr. MACKENZIE: I think we all agree.

Mr. QUELCH: I do not see any difference between doing that and leaving the draft bill as it is and bringing in recommendations for amendments. Certainly, if we are going to bring in any amendments that should be done by making them amendments to the draft bill rather than to the report. Otherwise if the suggestion is that we take this draft bill and pass it without amendment we are only making a rubber stamp of the committee, and the minister does not desire that.

The CHAIRMAN: Yesterday two different suggestions were made: one was the embodiment of these matters in a report; the other one was to make our report a proposed draft bill which included what we wanted to put into the bill. Now, yesterday I understood it was the desire of the committee to include our suggestions in the proposed draft bill, and I was going to proceed on that earlier this morning, but the matter was reopened. Now, may we take it that we are going to embody our recommendations in regard to pensions in the proposed draft bill?

Mr. MUTCH: I understood you to say the decisions of the committee will be embodied in the form of proposed amendments to the draft bill. It seems to me that when we have concluded consideration of the bill we will sit around a table together and where we disagree we will see if we can agree or agree to disagree and send the result to the minister who has the ultimate responsibility.

The CHAIRMAN: I think the suggestion is that when we get through with our proposed draft bill, before we report it, the government will indicate if there is anything that it cannot accept; and then I think a good suggestion has been made that we meet in camera after that and see if we can come to an agreement.

Mr. MUTCH: That will always help. Every time we meet in camera we get something done.

Mr. GREEN: That is not what Mr. Quelch suggested.

The CHAIRMAN: Somebody suggested that.

Mr. GREEN: Mr. Quelch suggested that we go through this bill and then report the bill to the House as we want it, and I think that is the proper thing to do.

Mr. QUELCH: No, I did not say that.

Mr. GREEN: I think that is the proper thing to do. Then the government will have to bring in legislation and if it is found that they cannot accept all the things we will get together and see what we can do about it.

Hon. Mr. MACKENZIE: May I interrupt to be constructive? I do not like the words "draft bill". I do not know who is responsible for that. It should be "draft proposals" from this committee to the House. A bill can only be introduced by the ministry of the day.

Mr. QUELCH: So far as this committee is concerned, I want any discussions of the draft bill to take place in the open, but when we have concluded our discussions on the bill and moved our amendments then if the government is not prepared to accept those amendments I shall be agreeable to have the matter reported back to us in camera, but when the discussions are resumed they should be in the open.

Hon. Mr. MACKENZIE: I shall be glad to do that.

The CHAIRMAN: It seems to me there is more hope of making progress that way than to have the matter reported to the House before we have made an attempt to get some agreement in camera. However, that is a matter for the committee to decide.

Mr. HERRIDGE: I move that the procedure suggested by Mr. Quelch be adopted by this committee.

Hon. Mr. MACKENZIE: It is acceptable by me.

The CHAIRMAN: The motion is seconded by Mr. Gillis. Are you ready for the question?

Carried.

Hon. Mr. MACKENZIE: May I make one more suggestion? The committee is working hard but perhaps it might set aside later on two days in which all the matters involving important principles could be discussed by us together here; any matters in regard to amendments to important legislation as regards the Pension Act and the Veterans' Land Act.

Mr. Mutch: A general discussion?

Hon. Mr. MACKENZIE: We will meet together in camera. You should give us a week's notice of the two days in which the committee will want me.

Mr. Brooks: Will that be before the bill is presented?

Hon. Mr. MACKENZIE: That depends on the will of the committee.

Mr. Brooks: There would be no good otherwise.

The CHAIRMAN: I take it that the proposal is carried unanimously.

Mr. Green: How will that affect the recommendation passed on Tuesday?

The CHAIRMAN: This is for future procedure. I take it you still wish—or do you—me to make this report to the House referring to fire fighters and supervisors and in regard to the passing of the insurance principle by order in council? The order in council is actually passed, whether it is signed or not.

Mr. QUELCH: Mr. Chairman, I still think, in regard to the fire fighters, that it would be better if that matter could be referred back to the committee before it is brought to the attention of the House, because otherwise you are going to find a violent discussion will take place in the House if it is brought in in this way. If it is a bill which does not include the recommendations of the committee there is bound to be a discussion in the House. It should be discussed by the committee and we should try to get a bill that will meet the desires of the committee.

Mr. Brooks: The only trouble is that the resolution regarding the supervisors and fire fighters is already on the order paper.

Hon. Mr. MACKENZIE: If the committee so desires the resolution could stand on the order paper and we could have our discussion in camera before the matter is proceeded with.

The CHAIRMAN: That is a good suggestion with regard to the bills which are ready to be introduced. The moment the resolution carries they could be circulated again as proposed bills; and they do embody now what the government has agreed to, and they could be further discussed by this committee if the committee so wishes. We could not set aside a Monday to discuss those matters in camera.

Mr. BROOKS: To me it appears as a waste of time unless the government are prepared to change their mind, and I haven't any intimation that they are, regarding the fire fighters and supervisors. I do not see what the advantage would be to refer those matters back to this committee and have us sit here and go through all our arguments again and then have these resolutions brought in and have bills presented which carry out exactly the idea which the government has at present. Frankly, I think that is just a waste of time and a lot of unnecessary work; as far as I am concerned we have enough of that.

Mr. Mutch: Do we know how far these bills go?

Hon. Mr. MACKENZIE: The resolutions are on the order paper and have been for the last two weeks. I think, if my recollection is correct, in regard to supervisors, everything that was asked for and recommended by the committee, except the question of income tax, has been conceded. In regard to the fire-fighters, two new benefits were added to those already conferred by the order in council: one was the question of vocational training, and the other was the question of unemployment insurance benefits.

The CHAIRMAN: With regard to the income tax exemption we are continuing to work on that to get something done about it. It is really not a matter for our department; it is a matter for the Department of National Revenue. It has to do with income tax. If by chance the Department of National Revenue would come to some *modus vivendi* in regard to dealing with that matter, in effect the government would have accepted our recommendations in regard to supervisors. Now, it will be most unfortunate if we have to have a tremendous debate when we are practically almost *ad idem* on that.

Mr. GILLIS: I think Mr. Quelch is right. If you report the firefighters' bill now you are going to open up discussion in the House on all of the auxiliary services, and we have a subcommittee working on the auxiliary services.

Mr. GREEN: No.

Mr. GILLIS: Sure we have.

Mr. BROOKS: It is working on the Red Cross and the other matters.

Mr. GILLIS: There is a general opinion that one bill, all-inclusive, should cover all the auxiliary services. We are going to run into a discussion in the House if we report just the firefighters. The members of the House are going to raise that question of an all-inclusive bill and hold the whole thing up. I think we would be well advised to wait until this subcommittee reports. I believe they are pretty well advanced with their work, and we should report on the auxiliary services in toto when we make a report to the House.

Hon. Mr. MACKENZIE: Of course, we can hold the bills up on the order paper to suit the convenience of any subcommittees of this committee.

The CHAIRMAN: I think that is a very good idea, because I have been in constant touch with the Department of National Revenue about this income tax matter, and I am genuinely hopeful that something can be arrived at, and if we report to that effect, so far as the supervisors are concerned, there is no ground for controversy left.

Mr. Mutch: Mr. Chairman, practically none of us is satisfied with the conception of finality with respect to these matters, and if the minister is satisfied to accept the suggestion of Mr. Quelch that gives us another opportunity—

Hon. Mr. MACKENZIE: Oh, yes.



Mr. MUTCH: —to bring some weight to bear on them. There are things that are not being done that I think should be done, and I would welcome an opportunity to present my views and have them supported by others.

The CHAIRMAN: This question of income tax could be looked into by this subcommittee, and I think the suggestion has been made that we leave the resolution on the order paper and ask the present subcommittee to look into the matter of the firefighters and the supervisors and that we wait on their report before we press anything in this report.

Mr. MUTCH: I hope when we review these matters that we do it in camera; I think we will get more done.

Mr. GREEN: I do not think it is wise for this committee to go into camera. We have not had to do that yet, and the minute we go into camera we lose a good deal of the effectiveness of the committee. There has been a recommendation made on this firefighters' matter, and that recommendation should be reported to the House in the ordinary course so that it will appear on the records of the House. What happens next in regard to what the government is doing with respect to the auxiliary services and the firefighters is a matter for the government to decide. We discussed these matters a week or two ago and the chairman took the stand that the government would not have those bills considered by this committee, would not bring in a draft bill at all; that they had made up their minds what they would do and they were going ahead with their legislation. Now, if they want to change their minds that is up to them.

The CHAIRMAN: The attitude, Mr. Green, is to try to meet the wishes of the various members of the committee as proposed here this morning. Now, if the government is ready to meet the wishes of the various members of the committee I do not think we should be accused of changing our minds. I do not think that is fair. All we are trying to do this morning is to get together in meeting the wishes of the various members of the committee. Surely, that should not call for the suggestion that the government is changing its mind when it is trying to get harmonious accord. The last suggestion made, that we do not do anything further about the auxiliary services and the firefighters but refer the question to the subcommittee for study and further recommendations to this committee before we take any action on it, did not come from a government supporter. I think it was a very good suggestion. Now, I suppose it is for the committee to decide whether they think that suggestion should be adhered to or not.

Mr. GILLIS: In order to bring the matter to a head I will move that.

Mr. McKAY: I will second that.

Mr. GREEN: Don't let us get confused on this business. This committee passed a recommendation some weeks ago in which it advocated that the auxiliary services and the firefighters should be treated as members of the forces for all purposes.

Mr. GILLIS: What do you mean by auxiliary services?

Mr. GREEN: There was a resolution passed here.

Mr. GILLIS: It only covered about half.

Mr. GREEN: That resolution was passed that a recommendation should be reported to the House as a report from this committee. Now, we are in the position that the government has brought in a bill and this committee has already made that recommendation, and it would be most unfortunate if that were not put in to the House.

Mr. GILLIS: What is the advantage of putting it in now?

Mr. GREEN: Simply that it shows that that is the belief of this committee; that was the expressed recommendation of this committee. When we pass recommendations those recommendations should be reported to the House.

Mr. GILLIS: I am concerned about the business of the House. I would like to see the House get down to the budget. If you look at conditions across Canada you will find that the Dominion-Provincial Conference threw a monkey-wrench into the affairs of this country, and things are going to be tied up until Mr. Ilsley brings down his budget and gives the people some kind of lead as to what they may expect in the next few months. I am desirous to avoid bringing in a bill that is going to open up a discussion on the auxiliary services which could run for weeks, and I consider that the auxiliary service question is only one-tenth settled by the firefighters' bill. If we allow the subcommittee to work on the matter for a week or two they may be able to bring in an all-inclusive, comprehensive report on the auxiliary services, because there are a lot of them not covered at all. If the firefighters' bill goes before the House, as far as I am concerned and as far as a lot of members of our group are concerned, we are going to talk on that matter because we do not like this piecemeal legislation covering one particular classification. But we want to avoid discussion if we can. We want the budget brought in. Conditions in the country are tense, and they are going to remain that way until Mr. Ilsley brings down his budget. I appreciate Mr. Green's position, but I do not see that it serves any purpose.

Mr. GREEN: Is the government going to withdraw the resolution they have on the order paper?

Hon. Mr. MACKENZIE: No.

The CHAIRMAN: It can stand.

Mr. GREEN: Let them bring in their bill and then the committee will have something to discuss. What is the sense of simply having a general over-all talk when that resolution is still standing on the order paper?

Mr. GILLIS: If you introduce the bill you are going to have a discussion.

Mr. GREEN: I am not introducing the bill; the resolution is on the order paper.

Mr. FULTON: What is proposed is to have that report submitted to the House, is it not? That report does not commit the government to go on with the resolution on the order paper.

The CHAIRMAN: The situation is this. When this resolution was moved that these rights be given to the auxiliary service supervisors and the firefighters I said at that time that I would communicate that decision to the government and advise the committee of the government's decision. The idea at that time was this, to keep the situation as fluid as possible, to get the greatest amount of progress with the least amount of controversy; so when the situation developed that the government definitely did not accept the recommendation of the committee then it seemed that the only thing to do was to proceed by introducing bills into the House. Then the question came up: well, should not we actually embody our decision then in a report to the House and put ourselves on record, which seemed reasonable. Now, the suggestion is made this morning that we avoid that collision if possible and refer this matter to a subcommittee for an all-inclusive report on all these various services so that we shall not bring on a collision in the House. The government lets the resolution stand where it is today. The bills, which it is proposed to introduce, will be referred to a subcommittee for discussion and for recommendation; and then obviously if we can come to an agreement that is satisfactory to everybody those resolutions will be withdrawn in order to have a bill covering all the services. Now, we are all reasonable men, and if we can make headway that way and save several days of debate I am sure we will welcome it. I am sure, as far as the government is concerned, they welcome this evidence of co-operation of the members of this committee which incidently did now come—and for that reason it is more appreciated—from members of the party of the administration.

As I take it this morning the suggestion is that we do not try to force an issue; that we only report this recommended action by order in council on the insurance principle, and refer all the other questions having to do with auxiliary services to a subcommittee. I take it that is Mr. Gillis' motion.

Mr. FULTON: If you, as chairman of the committee, submit the report which you read to us, I do not see that it opens debate in the House at all unless the government persists in its resolutions on the bill. If we simply make a report and the report is adopted, then nobody is prejudiced and nobody is compromised. The report is then on the record. If, subsequently, the minister, as the result of the discussion in this committee, withdraws the resolution and submits a new bill—

The CHAIRMAN: If we are submitting that matter to the committee for further discussion and study this is not our final recommendation.

Mr. GREEN: That is exactly where we cannot go with you. The committee made a recommendation which was an all-inclusive recommendation for those groups of people, that they should be treated as members of the forces. Now, that resolution, that recommendation is not under attack and cannot be attacked; it has been passed by the committee.

Mr. GILLIS: We are discussing a matter of procedure.

Mr. GREEN: The chairman says that the whole matter is to be gone into again. We have made a recommendation and have asked the government to treat these men in certain ways. In other words, we went the whole hog on that recommendation. I am not going to be put in the position now of having that recommendation whittled down by having the whole question referred to a subcommittee. What I would like to know is, does the minister propose now to turn his bill—it is not a draft such as this, but it is a bill—

The CHAIRMAN: It is not a bill until it is introduced into the House.

Mr. GREEN: Does he propose to turn that over to this committee for consideration?

Hon. Mr. MACKENZIE: There is no bill in the House yet; it is a resolution.

Mr. GREEN: The suggestion is that your bill, which is to follow the resolution, should be referred to this committee before it is actually brought into the House.

Hon. Mr. MACKENZIE: There is no objection whatsoever to any measure introduced by myself on behalf of the government, after the second reading has passed the House, being referred to the committee as was done for twenty-five years preceding last year, if it is the desire of the committee that that be done.

Mr. GREEN: That, of course, is not what the chairman is suggesting. The chairman is suggesting that your bill be brought into this committee now before it is even introduced into the House. I was amazed at that suggestion.

Hon. Mr. MACKENZIE: That is completely impossible according to the constitution and rules of the House. A bill must not be shown or disclosed to anyone before it is properly introduced to parliament.

Mr. GILLIS: All I understood the chairman to say was this, that the proposal as recommended by this committee with regard to the firefighters should be passed over to a sub-committee as it is to be included in an all-inclusive bill covering all of the auxiliary services, and that one report be made on the whole matter after this committee has gone over it.

The CHAIRMAN: And at the same time what the committee is willing to do, as indicated in the resolution in the House can be considered at the same time.

Mr. MUTCH: Does it not amount to this, that whereas a recommendation was made by this committee and has been rejected, or it is proposed to be rejected by the introduction of a bill which we have been told does not include



all of these recommendations, we are now being given a second chance to bring pressure to bear with respect to our views? It appears to me that it is about time we stop thinking about our personal political prestige in the matter and think about the firefighters and the auxiliary services.

Mr. QUELCH: May I personally suggest that this is for the purpose of trying to get the best bill for the men? As matters stand at the present time, this committee went on record as asking for the same benefits for the firefighters as the armed forces and the government did not see fit to accept. They brought in a draft bill that does not include that. We are considering the draft bill and not our recommendation. The House will be considering our draft bill and not the recommendation, and if it goes to parliament it will be a draft bill which is not giving the firefighters what we want. I am in favour of putting the bill into this committee while we try to come to some further agreement. I believe an agreement can be reached because many members feel they will be willing to allow some of the minor benefits to be taken away from the firefighters so long as they get the majority of the benefits. That shows there is a possibility of a change which will not be to the detriment of the firefighters and will mean that they will get greater benefits than under the draft bill.

Mr. FULTON: Is not the point at issue whether we are going to reopen our decision or have it referred to a subcommittee of this committee or bring it back for discussion of the whole committee? Personally, I do not see that that is essential because if we make that report which you have there, which reports the decision of this committee which was reached after a full discussion, it would not preclude further consideration of the whole question whether all the auxiliary services should be included, and if agreement can be reached, and if the minister, perhaps, considers that he might submit a different bill from the one he has now, the resolution could still be dropped and a fresh bill could be submitted. Am I correct? If what I say is correct, the point is that we are not compromising anybody or provoking a clash; we are simply reporting the present decision of this committee.

The CHAIRMAN: The decision of this committee, as I understand it, was that we indicated our position in the matter and with the approval of the entire committee. I did not say I would report it to the House; I said I would report it to the government with a view to seeing if we could not come to some agreement. Now, then, it seems that if we come to a straight impasse the government is going to go ahead with this bill and the committee naturally would favour that this be put on the record of the House so that they could refer in debate to the fact the committee had this opinion. If the government is ready to let those resolutions stand without the bill ever seeing the light of day for further consideration for the time being the resolutions will stand on the order paper, and until they are advanced that bill will not see the light of day. What the government have in mind in regard to that resolution is that it will be considered by the subcommittee and the whole thing will then later be considered by this committee and then it will decide what it will recommend in regard to these services. That is what I understand Mr. Gillis is suggesting. In other words, that the government do not proceed for the time being with this resolution, thereby precipitating a debate and that this matter regarding all the auxiliary services be referred to a subcommittee for report back to us. The subcommittee will study the proposals of the government as indicated by the resolution and consider the whole situation and report back to this committee, and then we will make a final report on the matter.

Mr. WRIGHT: Instead of having to go into the firefighters and supervisors alone, when we bring in a bill it should be a bill which would cover all the auxiliary services and we would then have one discussion instead of having discus-

sions in the House on two separate bills covering practically the same field. Certainly, I think that course will save time in the House, and I do believe that we can come to some closer agreement than we have hitherto in this committee and thereby save a lot of time.

Mr. GILLIS: Might I point out to Mr. Green—maybe he has forgotten this—that the subcommittee is now working on a draft bill in respect of civilian war pensions and allowances. Part 3, section 21, page 7, of the proposed bill that the committee is now working on, covers the firefighters, so they have that all-inclusive bill.

Mr. GREEN: That does not cover what I was referring to.

Hon. Mr. MACKENZIE: That is different. That is pensions only. The other benefits are not covered.

Mr. GREEN: It does not cover any of the other benefits for them.

Hon. Mr. MACKENZIE: It is purely a matter of draftsmanship. It was decided that it would be better to put them in separate bills.

Mr. PEARKES: Mr. Chairman, we had a long discussion when we introduced this firefighters bill, as to whether we should include the various auxiliary services. I think we decided that we should not.

Hon. Mr. MACKENZIE: Yes.

Mr. PEARKES: We also discussed whether we should bring in the merchant seamen at that time. Are we going to throw this back and are we going to bring in the other auxiliary services and the merchant seamen?

The CHAIRMAN: Mr. Pearkes, the reason why it was suggested that we go ahead with the supervisors and firefighters was, I think, that it was the hope that we could get unanimous agreement, that these separate bills would go through the House, and that would be that with regard to them. But quite obviously we have not come to agreement; and we can have almost as long a debate on the firefighters alone as we might have on all these related services. So the suggestion to the committee now is—and I am always ready to see possibilities of saving time and saving dispute—not to go ahead with separate bills as suggested, but for these different people to be dealt with in parts of one all-inclusive bill, the same as we have done with regard to civilian pensions, having a part dealing with firefighters, a part dealing with supervisors, and a part dealing with merchant seamen. That is the motion of Mr. Gillis.

Mr. PEARKES: That includes the merchant seamen?

The CHAIRMAN: All these different groups.

Mr. CRUICKSHANK: Mr. Chairman, I should like to say a word here. I enjoyed this committee when it started out, but quite frankly I think it has degenerated into a political discussion entirely as I see it. Coming from the province of British Columbia, I may say that we have some very important problems facing us out there, and several of the British Columbia members are very much interested in them. We have not got the time to spend here where we are talking nothing but politics. I should like to know what riding all these firefighters are coming from. As far as I am concerned, as a veteran I want to assist the Legion. Let us get on with the fighting men first, and we can deal with some of these other auxiliary services afterwards. If we are going to come down here every day and this is going to be a political sounding board, I think we might as well call off our Veterans Affairs Committee. We had a good committee before, but I feel that it is just degenerating into a political meeting because of the actions of one or two members. I, for one, could go on the warpath too and make an hour-long speech every day, so that my name will be before the Canadian Legion and my riding, if that is

going to be the attitude of one or two members who are apparently more interested from the political viewpoint than they are from the viewpoint of the veterans. The meeting is turned over to one or two now.

Mr. Ross: Mr. Chairman, I think that little speech made by my good friend from Fraser Valley is quite uncalled for. I have attended many of these meetings, and I am sure he cannot accuse me of saying very much on the different auxiliary services. There are probably as many firefighters coming from my province as from any other place; yet you have not heard me say anything on their behalf yet. I agree that this is a difficult situation we are facing right now, but I think Mr. Cruickshank's remarks are quite uncalled for. I have attended these meetings as regularly as any member of this committee from the inception of this committee in this parliament. I have been inclined to agree with Mr. Gillis' argument, apart from the presentation of the budget. I am sure that the people in my part of the country are just as interested in that budget as anybody else, but I do not think our report will interfere with the budget one iota when it is ready, and I do not think it should enter into the discussion here. I hope we can come to some agreement and get along with this business as a whole. I would judge if that recommendation went to the House it would not necessarily be debated at all at this time. We have not debated other recommendations or reports we have made so far to an extent that would necessitate a statement like that.

The CHAIRMAN: The difficulty about this is that the moment you report this to the House, any member can move concurrence and right away a debate can be precipitated.

Mr. GREEN: Nobody is going to do that.

The CHAIRMAN: How do we know they will not do it?

Mr. FULTON: We have an efficient whip.

The CHAIRMAN: So that we have got to act according to the possibilities of the situation. There is one correction I wish to make in regard to my reply to Mr. Pearkes. I meant all the people that we might properly deal with. The merchant seamen are regarded as the special consideration of the Department of Transport and they are working on a bill for them. So that I am afraid that the question of merchant seamen is one that they would not favour our endeavouring to interfere with at the moment.

Mr. PEARKES: I want to get that clear. You have changed what you told me a few minutes ago, Mr. Chairman. You are saying that the merchant seamen are not going to be included. I am not arguing with you. I just want to be clear.

The CHAIRMAN: I am just correcting that, because I have been in touch with the Department of Transport quite a bit. I have conveyed to them the representations made to this committee; they are working on the matter and are in consultation with their people and are, I think, about to draft a bill. So that, with the exception of the merchant seamen, it would apply. I just wanted to make clear that I should not have included them.

Mr. HERRIDGE: Mr. Chairman, we have spent over an hour this morning without doing anything very constructive. You have a motion before the committee by Mr. Gillis. I suggest that the question be put.

The CHAIRMAN: Yes. Are you ready for the question?

Mr. FULTON: Mr. Chairman, I have one observation I should like to make before you do that. I will make it as brief as possible. Some of us are concerned, I think—rightly or wrongly—in case this should result in alteration to the resolution which was previously the decision in this committee. Would Mr. Gillis object if I suggest that there be embodied in his resolution some sort of instruction to the subcommittee or whatever body it may be referred to, that



they do not change that report which the chairman has read or take any action to prejudice the report there without representations to the whole committee? What some of us are concerned about is that, having given a decision for the firefighters by a vote it will somehow be changed to their prejudice.

Mr. GILLIS: The subcommittee would have no authority to change any recommendation made by this main committee. All they would be able to do would be to include that particular bill with the overall bill as is. They could not change it.

Mr. FULTON: I am just trying to make that clear.

Mr. MUTCH: I want to be clear. Just to supplement that, is it not the situation that any subcommittee is the creature of this committee and its opinions are only binding on this committee if this committee concurs? I am interested because I happen to have a subcommittee under my chairmanship, and I do not think that the situation is that my subcommittee can do anything in the name of this committee without their concurring in it. I do not think there is anything to fear in that regard.

Mr. GREEN: Is it not a fact that there is not any disagreement at all about the auxiliary services?

The CHAIRMAN: Except in regard to income tax.

Mr. MUTCH: You are speaking of the committee now.

Mr. GREEN: The Department of Veterans Affairs cannot do anything about income tax.

The CHAIRMAN: That is right.

Mr. GREEN: Is it not a fact that there is not any disagreement whatsoever about the auxiliary services?

The CHAIRMAN: No.

Mr. MUTCH: In this committee.

Mr. GREEN: So that that bill could go through with very little questioning.

The CHAIRMAN: Except that, as the minister would have to point out, they have not yet been given exemption from income tax. It is quite true that is not under our department; but one of the things I feared was that it would lead to a long debate in the House on that particular question of income tax. I regret that coming up, because it is not anything that our department can do anything about. But nevertheless, in some other bills, we actually put in that they are exempt from income tax; for example, with regard to the South African nurses and the Wrens; so somebody will say, I am sure, "If you do it for them, why do you not do it for the auxiliary service people?" and you will have a debate, no matter how you try to introduce it into the House. So as I see it, if we are going to refer this matter to a subcommittee to study and refer back to us, we should not endeavour to tie the hands of this subcommittee or there is no use in referring it to the subcommittee. The motion I have been asked to put—and I have not had a chance to read it yet, but the clerk has drafted it—is as follows:

The committee recommends that the bills respecting the supervisors and the auxiliary services and firefighters be not introduced in the House but be embodied in a proposed bill to be drafted by the committee, which will include all civilian groups.

I do not know that is quite the proper bill. We do not want to control what is introduced into the House. Your motion, Mr. Gillis, was that these matters, including the supervisors and firefighters, be studied by the subcommittee and that they bring their report back to us?

Mr. GILLIS: That is right; brought into one all-inclusive proposed draft bill.

The CHAIRMAN: Yes. Are you ready for the question?

Mr. BROOKS: Let me understand this. Mr. Gillis does not wish to withdraw that, that those firefighters and supervisors be accorded all the benefits of the armed forces. You do not wish to have that withdrawn?

Mr. GILLIS: No.

Mr. BROOKS: What you wish is that these other groups be included with the firefighters and with the auxiliary services, retaining in that bill the recommendations which have already been made for the firefighters and auxiliary services?

Mr. GILLIS: Surely.

Mr. BROOKS: I agree.

Mr. GREEN: Are you willing to make your motion subject to our prior recommendation?

Mr. GILLIS: That is already done. This committee has decided that.

Mr. GREEN: No. Apparently you are not wishing to upset the provisions recommended.

Mr. GILLIS: Certainly not.

Mr. GREEN: Will you include that in the motion?

The CHAIRMAN: The matter is referred to the subcommittee. As I pointed out, it is referred to the subcommittee. We are not taking any steps about a previous decision. We are just referring it to the subcommittee and that is all.

Mr. GILLIS: That subcommittee reports back to this committee.

The CHAIRMAN: Yes. Are you ready for the question?

Some Hon. MEMBERS: Question.

Mr. GREEN: You are not wishing to upset any prior recommendation made by the committee?

Mr. GILLIS: Certainly not, because I was a party to it.

(Motion agreed to).

The CHAIRMAN: Then that is carried. I take it from that, that what I will embody in the fifth report is this: your committee recommends that the government take immediate action by order in council to restore the application of the so-called insurance principle in the Pension Act to veterans of World War II who served in Canada only. Naturally—and I am in your hands in this matter—until we make a final decision in regard to the supervisors and firefighters, we will not report on that to the House. Is that satisfactory to the committee?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Then that is carried.

Mr. GREEN: What about that recommendation of last Tuesday? How is that to be dealt with?

The CHAIRMAN: That will come up, as I take it, when we start—as I hope we shall in a moment or two—to discuss the proposed draft bill again.

Mr. GREEN: Is that to go in the draft bill or in a report to the House?

The CHAIRMAN: I take it from the idea of the committee that, in regard to pensions, we would embody our wishes in a proposed draft bill.

Some Hon. MEMBERS: Yes.

The CHAIRMAN: That is what I understood is the wish of the committee.

Some Hon. MEMBERS: Yes.

Mr. FULTON: Then what happens to the draft bill, Mr. Chairman?

Mr. Mutch: It will be completed and embodied in our report.

Mr. FULTON: Embodied in our report to the House?

Mr. MUTCH: Yes.

Mr. FULTON: What if the government does not accept it?

Mr. MUTCH: We can debate it.

The CHAIRMAN: The clerk brings to my attention what was carried in committee, that the recommendations of the committee respecting amendments to the Pension Act be embodied in the proposed bill; that before such proposed bill is reported to the House, the committee meet in camera for discussion with the minister and that any proposals not in accord with the committee's recommendations put forward by the minister at the private meeting, be further discussed in public session of the committee. That was the motion made by Mr. Quelch and carried. So that embodies what we are going to do with regard to the Pension Act.

Mr. GREEN: What was the last thing about public sessions?

The CHAIRMAN: That any proposals not in accord with the committee's recommendations put forward by the minister at the private meeting, that is the meeting in camera, be further discussed in public meeting of the committee.

Mr. MUTCH: So that we can take it into the House?

The CHAIRMAN: That is we go into camera, make our decision, and then we meet the minister. If there is any disagreement with our proposals, as far as the government is concerned, we discuss that with him. If we cannot come to a definite conclusion, then we come into public session again and discuss it.

Mr. GREEN: And any amendments made to this draft bill will be included in the draft bill?

Mr. QUELCH: Yes.

Mr. GREEN: In other words, the amendment made last Tuesday will be included in the draft bill?

Mr. QUELCH: Yes.

Mr. MUTCH: No. There was no amendment made last Tuesday.

The CHAIRMAN: Well, when we come to section 11, we can discuss that.

Mr. MUTCH: Mr. Chairman, let us settle this once and for all. If we decide, as we have already decided—and this is the third time, I think—that we will go through the Pension Act and that we will embody the decisions of this committee in proposed amendments to the draft bill, since that is now what we call it, eventually when we complete the draft bill and have made whatever amendments or deletions the committee in its wisdom agrees to, I presume we will do as we did before, report the bill to the House.

The CHAIRMAN: Yes.

Mr. MUTCH: With whatever amendments or deletions we have made; and following that the minister will, in his wisdom, either incorporate our amendments in his bill which he will then have to introduce into the House, because this is not the bill, or else he will not. But we will be amply protected, if we do not like the bill, by having reported to the House this amended bill. We had a motion on the implementation of a recommendation of the Legion the other day. The bill was not before us at the time we discussed that, and we have every opportunity to draft an amendment at this time and introduce it in the bill if it is the will of the committee that that is what we should do. But we cannot pass a resolution to say we are bound by something we did the other day on general discussion.

Mr. QUELCH: That is not quite what the Minister of Veterans Affairs agreed to. He agreed that we go through this draft bill and insert any amendments where they should be inserted in the bill. Then he will consider the bill when we have completed it, and if he does not agree with some of the amendments we have made he will meet us in camera and discuss the whole question.



The CHAIRMAN: Yes.

Mr. QUELCH: Then if we are going to make further amendments, we will meet in open meeting to do it.

Mr. MUTCH: Mr. Chairman, I anticipated what Mr. Quelch has said, but my remarks applied to the open meetings afterward. If we do not agree or cannot get along with the minister, we do that later on.

Mr. QUELCH: Yes.

Mr. WINTERS: Mr. Chairman, I should like to say just a word. I came here this morning at 11 o'clock thinking we were going to discuss the Pension Act, but I have sat here listening to a discussion, on a very high level, on procedure and I have found it instructive. I am not up to taking part in it. I am a comparatively new member of the committee, and I see other members who, I think, are in the same boat as I am. The discussion has been carried on by a comparatively few people, and I have not the slightest doubt that they know what they are talking about. But the fact of the matter is that it is the tail wagging the dog. As I recall it, there has been a steering committee set up. I believe they are functioning. If they are not, I should like to know why they are not. If they are functioning and we cannot accept their recommendations, then I think we should get a steering committee that we can rely on. Let them thresh this out. Let them tell us which course to steer, and let us follow that; but let us not waste all the time of all the members of the committee.

Some Hon. MEMBERS: Hear, hear.

Mr. McKAY: Let us get on with the bill.

The CHAIRMAN: May we proceed now with the bill?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Brigadier Melville has a short statement to make.

Brigadier MELVILLE: Mr. Chairman and gentlemen, I should like to keep the record clear with regard to the accuracy of any statements which are made by the commission. In the course of the proceedings yesterday a letter was read by the chairman which was addressed to him by Commissioner Conn, and in which the term was used "below the low water mark." The question was raised as to whether the word "below" was correct, and it was suggested that possibly it should be "beyond". All I wish to observe is this, that in referring to "low water mark" we say "above" or "below". Those are the naval terms which are used at all times. When you use the word "beyond", you are probably referring to "beyond the horizon". So I submit the term used in that letter was correct.

One question was raised yesterday as to how many members of the commission had served in the ranks. I gave certain information which I should like to complete. Half of the commissioners served in the ranks, and two at the time of discharge were other ranks.

There is one other point I should like to mention. Yesterday the commissioners held a meeting, and they desire further time to consider the point regarding provision in the Act for members of the Non-Permanent Active Militia, subsequently the Reserve Army, who served in such forces during the period of World War II. We will be meeting again, Mr. Chairman, and we will be very glad to submit our observations in that regard to the committee.

A further point which arises from the discussion yesterday and regarding which the commission was asked to report, was relating to the appointment of a deputy chairman. That also was discussed at a meeting yesterday afternoon and the commission desires further time to consider, report and prepare the necessary amendment for your consideration.

Thank you, sir, for the opportunity of making these explanations.

The CHAIRMAN: The next clause that the committee has to consider is clause 6 (b) of the suggested amendments. \*

6. (b)

Subsection three of section eleven of the Pension Act is repealed and the following is substituted therefor:—

(3) Notwithstanding sections twenty-seven and thirty-seven of the Pension Act, in the case of a pension awarded for disability or death in respect of military service during World War II that was wholly rendered in Canada on and after the twenty-first day of May, one thousand nine hundred and forty, and no part of which was rendered in a theatre of actual war, when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made did not arise out of or was not directly connected with such military service, the pension shall not take effect on any day prior to the first day of June, one thousand nine hundred and forty-six.

This suggestion provides that the pension shall not take effect on any day prior to the 1st day of June, 1946, in respect of military service wholly restricted to Canada, unless the disability or death arose out of or was directly connected with such military service. In other words, it preserves all existing rights and says that the new rights conferred by the insurance principle for service only in Canada shall have effect from 1st June. It was discussed with the commission whether it should have effect from the date the order in council went into effect, which might be 24th, 25th or 26th of May; but they pointed out that that would introduce an element of part of a month and cause them great administrative difficulties. So it was thought when we were bringing this into effect within four or five days of when the order in council was passed, we should have it start with the beginning of the month. That seemed to be quite reasonable, and that is the effect of this clause. That is correct, is it not, Brigadier Melville?

Brigadier MELVILLE: That is correct. That is the provision in the order in council.

The CHAIRMAN: That is in the order in council. Is that carried, gentlemen?

Mr. GILLIS: Mr. Chairman, might I ask this? I may be a little bit off in the way I interpret this. There were a large number of cases turned down previous to this amendment. Do I understand this correctly, that the cases already dealt with will not be considered under the new terms of the Act?

Brigadier MELVILLE: No. All cases will be dealt with. Entitlement is not in any way disturbed. It relates to the date when the award of pension will come into payment. Effective from the 1st day of June, 1946. But it has nothing to do with entitlement. That stands.

Mr. GILLIS: Men who have already been adjudicated upon will have the privilege of reopening their cases under the new terms of the Act?

Brigadier MELVILLE: There are 15,602 cases regarding whom the commission rendered the decision "incurred or aggravated, but not pensionable." These cases will all be reviewed by the commission. We will initiate action and we will advise them and get pensions into effect as quickly as possible, effective from the 1st day of June, 1946.

Mr. McKAY: With reference to these pensions that may be made, or in connection with these 16,000 applications, or these 15,602 cases, they are not retro-active. But we are informed there are a good many pensioners receiving pensions from the department who are in necessitous circumstances and I believe—at least I have been informed—that some of these would qualify under the new set-up; that is, would be under these 16,000 applications. What will happen in those

cases? Allowances have been paid to them, and if it is not retroactive, will that be deducted from any pension that may be paid to them subsequent to the 1st of June?

Brigadier MELVILLE: The situation I think is very clear. They will receive their awards in accordance with the provisions of the Act at the present time, up to and including 31st May, 1946. Their cases will be reviewed. They will be entitled to an increased award in most cases, because they will not be subject to the provisions of section 11, subsection (3), which no longer exists. An increased award will then be effective from the 1st day of June.

Mr. McKAY: Only that portion of the award would be effective?

The CHAIRMAN: Yes, the increased amount.

Mr. McKAY: The increased pension, that part of it?

Brigadier MELVILLE: Yes, at the increased rate.

The CHAIRMAN: Is that carried?

Mr. FULTON: Not quite. The section repeals subsection (3) of section 11. When it was discussed briefly before, I think the statement was made that the insurance principle completely took care of any case which previously had been required to be taken care of under subsection (3). At least that was the impression I got. I wonder if Brigadier Melville could perhaps elaborate on that and whether he could tell me whether or not subsection (3) as it now stands can cover a case of what I call compassionate grounds. With reference to what was said last time, the chairman made a suggestion that this case would be covered under the War Veterans' Allowance Act. I do not think it would because as I understand it, such cases would not be covered until they reached the age of 60, in most cases. Are there any purely compassionate cases, Brigadier Melville, which are presently covered by subsection (3)?

Brigadier MELVILLE: All cases at present covered by section 11, subsection (3) will be entitled to pension. I understand the claims you asked about are those where no entitlement had been conceded.

Mr. FULTON: Yes, under the terms of the Act before these amendments that were introduced.

Brigadier MELVILLE: Then they would be cases where the commission had ruled "pre-enlistment condition, not aggravated and therefore not pensionable." There is no provision in the Act or in any amendment to the Act which would allow of an award of pension for those cases. They have, as I explained before, the right to proceed further with claim to pension under the provisions of the Act; but there is nothing which would permit an award, because they have no disability attributable to or incurred during their military service.

Mr. FULTON: You mentioned, I think, 1,400 cases which had previously been awarded pension under the terms of subsection (3).

Brigadier MELVILLE: No.

Mr. FULTON: I beg your pardon?

Brigadier MELVILLE: No.

Mr. FULTON: I understood at the last session when this was discussed, or at the last sitting, you mentioned some 1,400 cases which had been awarded pension under this subsection (3) as it now stands.

Brigadier MELVILLE: At the present time, Mr. Fulton—that is on 30th April, 1946—there are 560 awards in payment for disability under the provisions of section 11, subsection (3) of the Act. These involve an annual liability of \$298,343. In addition to that, there are 663 awards in payment under the provisions of the same section of the Act to dependents; those awards involve an annual liability of \$359,436. So that the total as at 30th April is this; there are 1,223 awards in effect under the provisions of section 11, subsection (3).



Mr. FULTON: Those are the ones I referred to.

Brigadier MELVILLE: The figure of 14,000 to which you referred—

Mr. FULTON: 1,400 I said. Those are the ones I meant.

Brigadier MELVILLE: I beg your pardon.

The CHAIRMAN: Is that satisfactory? Is that carried?

Some Hon. MEMBERS: Carried.

Mr. FULTON: We have the assurance of the chairman that those cases will be taken care of under the insurance principle as introduced?

Brigadier MELVILLE: They will all be dealt with and they will have top priority.

The CHAIRMAN: Carried?

Some Hon. MEMBERS: Carried.

(Section 6(b) agreed to.)

The CHAIRMAN: The next item is an amendment by Mr. Green. This comes under section 11, subsection 1 (c), that there be struck out "was wilfully concealed" so that the paragraph (c) will read as follows:

"(c) No deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during World War I or during World War II, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforesaid wars; provided that service by a member of the forces in a theatre of actual war may only be counted for the purposes of this paragraph when it has been rendered in the particular war with reference to service in which pension has been awarded; and further provided that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was obvious or was recorded on medical examination prior to enlistment."

I take it, Mr. Green, that you move that it be amended to read in that form; is that correct?

Mr. GREEN: That was passed the other day.

The CHAIRMAN: I am in the hands of the committee. Mr. Green says it was passed the other day, and the clerk says it was not. I am in considerable difficulty about this.

Mr. BROOKS: Why not refer back to the record.

The CHAIRMAN: The clerk says it was not passed the other day.

Mr. BENTLEY: You declared the motion carried.

The CHAIRMAN: We recommended that on a general discussion. Now we are considering the draft bill. I am asking Mr. Green whether he wants to make this motion to amend the draft bill or whether he does not. It is up to him. If he does not want to make the motion he does not have to.

Mr. GREEN: I submit that it is not necessary to make a motion again if we carried it the other day, but if the chairman is not satisfied with that and wants it moved again I will so move now.

The CHAIRMAN: There is a motion before the committee by Mr. Green.

Mr. CRUICKSHANK: Mr. Chairman, I want to be clear on this. Will this finish the matter if we vote on it now? As I understand the matter, if this amendment carries now we can go into camera later and the minister will say whether he accepts or not, and the matter goes back to the general meeting; is that right?

The CHAIRMAN: We meet in camera with the minister and he tells us whether he accepts this or not, and then we will discuss the matter and see if we can come to an agreement. If we cannot the matter will go back to the open meeting.

Mr. CRUICKSHANK: If we carry it then we get on with the business about the real fighting man.

Carried.

The CHAIRMAN: Now, gentlemen, the next item is clause 7, amending section 12. That will be found on page 3. It introduces "pensionable" before "disability" in the third line, and it is to uphold the present practice and make it clear. It makes no change in the practice whatever. It reads:

"7. Paragraph (c) of section twelve of the said Act, as enacted by section seven of chapter twenty-three of the statutes of 1940-41, is repealed and the following substituted therefor:

'(c) that in the case of venereal disease contracted prior to enlistment and aggravated during service, pension shall be awarded for the total pensionable disability existing at the time of discharge in all cases where the member of the forces saw service in a theatre of actual war, and no increase in disability after discharge shall be pensionable, but, if it subsequently appears upon examination that such disability has decreased in extent, pension shall be decreased accordingly; provided that pension may thereafter be increased or decreased, subject to the limitation hereinbefore prescribed, in accordance with the degree of disability which may be shown to exist upon any subsequent examination'."

Brigadier MELVILLE: Briefly, for the information of the committee, it makes no change in the law as at present interpreted by the commission. It is obviously not the intention that a venereal disease case of definite pre-enlistment origin should be in a preferred position to any other case of pre-enlistment origin, and this amendment simply confirms the practice of the commission.

Carried.

The CHAIRMAN: Clause 8:

8. (1) Subsections nine and ten of section twenty-two of the said Act, as enacted by section thirteen of chapter twenty-three of the statutes of 1940-41, are repealed and the following substituted therefor:—

(9) On and after the death of the wife of a pensioner pensioned on account of disability, the additional pension for a married member of the forces may, in the discretion of the commission, be continued to him for so long as there is a minor child or are minor children of pensionable age, provided there exists a daughter or other person competent to assume and who does assume the household duties and care of the said child or children, and further provided that in cases in which the pensioner in question is pensioned in respect of service during World War I, such children were born prior to the first day of May, 1944.

(10) On and after the death of a widow of a member of the forces who has been in receipt of a pension, the pension for the widow may, in the discretion of the commission, be continued for so long as there is a minor child or there are minor children of pensionable age, to a daughter competent to assume and who does assume the household duties and care of the other child or children, provided that in such cases the pension payable for children shall continue, but the

rate payable for orphan children shall not apply, and further provided that, in cases in which the widow in question was in receipt of pension in respect of service during World War I, such children were born prior to the first day of May, 1944.

There is an amendment there. The explanation is:—

8. (9) Subsection nine of section twenty-two provides that the additional pension granted in respect of service during the Great War to a married member of the forces may, in certain circumstances, be continued so long as there is a minor child born prior to the first day of May, 1933. The amendment advances the date from the first day of May, 1933, to the first day of May, 1944.

The proposed amendment makes no change in the law as this was effected by Order in Council under the War Measures Act, dated the 15th May, 1944 (P.C. 5/3655).

This deadline was introduced as an economy measure in 1933. Other economy measures of the year 1933, such as income tax on pension, have been removed.

The only change there, Brigadier, is to give effect to the order in council bringing the deadline up to the 1st of May, 1944, and introducing the terminology "World War I"; and then I see there is a subsection (2) (11):—

(2) Section twenty-two of the said Act is further amended by adding thereto the following subsection:—

(11) The Commission may, in its discretion, award or refuse to award additional pension, to or in respect of a child or children of a female member of the forces.

Would you make any necessary explanation on that?

Brigadier MELVILLE: With regard to 8 (1) the purpose there briefly is this, to assist the veteran who endeavours to keep his family together and to maintain a home. If his wife dies the commission under this enabling authority has power to pay on behalf of a daughter who assumes the duties of housekeeper, or if he engages a housekeeper, to pay the additional allowances, and all that is being done is to confirm what is authorized by order in council to advance the date for eligibility from the first day of May, 1933, to the first day of May, 1944.

Mr. PEARKES: May we discuss that?

The CHAIRMAN: The Brigadier was going to explain subsection 2.

Mr. PEARKES: He has explained subsection (1). Perhaps he might deal with the one point first of all. The idea was to advance the date from the deadline which was the 1st of May, 1933, to the 1st of May, 1944, and the reason given by the chairman is to assist the veteran who is trying to keep a home together. Now, in this case, and other sections following in this bill, the same date of May, 1944, is mentioned. I suggest that we should eliminate that date altogether; there is no longer any need for a deadline at all and any veteran who is trying to keep his home together with children coming along, or young children being born after May, 1944, should also be assisted. As the explanation says, the number of children will be very small and will be getting smaller and smaller all the time on account of the age of the veterans; but surely the older veteran gets the same assistance because he cannot find ready employment in the labour market, and I cannot see any necessity at all for this deadline being put in at all. Now, I have in mind one particular case of a man who married in June, 1944. Should not he be entitled to assistance, or should he be denied just because he happened to delay his marriage for a month after the deadline had been set? My contention is that there is no longer any need for any deadline.



Mr. QUELCH: That deadline should be taken out. The deadline of 1944 should be stricken from the Act, and if an amendment is needed in order to bring that about it should be drafted. I do not believe the Legion made any recommendation in regard to that this time, but the Canadian Corps did make a recommendation and that recommendation has been in former briefs submitted by the Legion. I believe they left it out this time, but you will find it in the recommendation of the Canadian Corps as presented to the committee last year.

Mr. CRUICKSHANK: Mr. Gillis and Mr. Green will remember that I fought this question in the committee of 1940, and I refused to have the report of the committee made unanimous. Check back in the records of 1940 and you will find that I was fighting the same thing, and we got it changed by order in council. At that time I refused to agree to a unanimous report going out of this room. The government had not agreed to change the deadline, and I had the privilege of wiring the minister and complimenting him on having taken my advice at that time. I suggest that the Legion still do want it; and what is more, I may be one of those who might want to come under it. As Mr. Pearkes has pointed out, very few could be affected, because of age, and from an economic point of view I do not see that very many would be affected.

The CHAIRMAN: I take it, Mr. Pearkes, that you wish to strike out the clause: "further provided that, in cases in which the widow in question was in receipt of pension in respect of service during World War I, such children were born prior to the first day of May, 1944." That would apply to people in the last war as in this one, and then strike out lines 25, 26, 27 and 28.

Mr. PEARKEs: That is my motion.

The CHAIRMAN: Are you ready for the question?

Carried.

Mr. QUELCH: That will not cover the deadline, will it?

Mr. MUTCH: We will have to deal with that as we come to it.

The CHAIRMAN: Shall the section carry as amended?

Carried.

The CHAIRMAN: Section 9:

9. Section twenty-three of the said Act is repealed and the following substituted therefor:—

23. When pension is awardable under the provisions of this Act in respect of the death of a member of the forces and when such member of the forces has died leaving an orphan child, or when his widow, divorced wife, parent or the woman awarded a pension under subsection three of section thirty-two of this Act, has died leaving an orphan child of such member of the forces, such orphan child shall be entitled to a pension in accordance with the provisions of Schedule B.

The explanation is as follows:

9. The present section 23 is ambiguous. The change suggested in this section is indicated by the words underlined. The alteration is for the purpose of clarification only and conforms with the practice of the Commission.

Perhaps you would make some explanation on that, Brigadier?

Brigadier MELVILLE: The section to-day reads:

When a member of the forces has died leaving an orphan child, or when his widow, divorced wife, parent, or the woman awarded a pension under subsection three of section thirty-two of this Act, has died leaving an orphan child of such member of the forces, such orphan child shall be entitled to a pension in accordance with the provisions of Schedule B.

The commission suggests that looks very wide open. As a matter of fact, the section is not necessary in the Act, but if it is to be retained I suggest it must be qualified by the introduction which is now in the amendment: "When pension is awardable under the provisions of this Act in respect of the death of a member of the forces". There is no change from there on.

Mr. MUTCH: Has this other one to do with the common law wife?

The CHAIRMAN: It does not make any change.

Brigadier MELVILLE: No.

Mr. BENTLEY: Does this apply to an adopted child?

Brigadier MELVILLE: It has nothing to do with this section; there is provision elsewhere in the Act.

Mr. BENTLEY: I have a case where the orphan is not getting this.

Carried.

The CHAIRMAN: Section 10:

10. Section twenty-seven of the said Act, as enacted by section eleven of chapter thirty-two of the statutes of 1939, is amended by adding thereto the following subsection:—

(3) Notwithstanding any limitations contained in this section, the Commission may, in its discretion, in respect of service during World War II, make an additional award not exceeding an amount equivalent to an additional eighteen month's pension where through delays in securing service or other records, or through other administrative difficulties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue: provided that payment hereunder may only be made in respect of awards made on or after the first day of January, 1945.

The explanation is as follows:

10. This amendment adds a new subsection to this section. It makes no change in the law as this was effected by Order in Council under the *War Measures Act* dated April 9, 1945 (P.C. 2395).

The provisions governing the date from which pension is payable for disability were introduced into the *Pension Act* in 1936 to eliminate large retroactive payments in claims arising out of World War I, the majority of which were initiated many years subsequent to the applicant's discharge from the forces.

Applied to World War II it has been found that occasionally these provisions are too restrictive and in certain awards arising out of the latter war, due to circumstances beyond the applicant's control, have resulted in lack of uniformity in awards and injustice to the applicant.

Would you say a word on that?

Brigadier MELVILLE: Briefly, the commission found there were a few cases where, between the date of discharge and that of enlistment granted by the commission, there was an interval of more than the maximum period of eighteen months allowed in the Act. There are cases, particularly in the air force, of officers and men attached to R.A.F. squadrons in various parts of the world, and there is some difficulty and delay in securing their documentation. Until that documentation was obtained they could not establish their entitlement. By the addition of this "eighteen months" there will be authority for a retroactive period of three years altogether, and the commission has found that that is more than adequate to deal with these claims and certainly clears up the odd case of injustice which otherwise might have ensued.

Mr. MUTCH: I dislike introducing individual cases, but I am particularly interested in the case of a man serving in Canada in 1940 who was injured and

applied for a pension. Pension was disallowed. After about two years the case was reviewed and the commission admitted its error and it has pensioned him and made the pension retroactive. There was a gap of two years during which time he was involved in considerable hardship and expense. Would this redrafted clause take care of a case like that?

Brigadier MELVILLE: It will depend on circumstances. If there were administrative delays or other difficulties beyond the applicant's control, then the commission might consider the claim, because the commission considers each case on its merits; but if the applicant "slept on his rights" and delayed, we do not consider he is entitled to the benefits of this added provision.

Mr. MUTCH: If I may I will refer that particular case to you without taking it up now.

Brigadier MELVILLE: We shall be glad to reconsider it.

Mr. GREEN: Why do you have that proviso at the end of the section to the effect that "payment hereunder may only be made in respect of awards made on or after the first day of January, 1945."

Brigadier MELVILLE: The order in council is dated the 9th of April, 1945, and it was made effective from the first of that year. We have few cases of hardship and there has been no discrimination.

Mr. GREEN: Do you think it is wise to put in a restriction like that? You may come across cases in the future and you may find that the award should have been made retroactive for a longer period.

The CHAIRMAN: You have full discretion in the matter.

Brigadier MELVILLE: No, there is a limitation.

The CHAIRMAN: You have discretion even if that were taken out. This would give you further discretion. Even if this were taken out there is still full discretion for you in the matter.

Brigadier MELVILLE: No, there is a limiting factor when entitlement is granted by the commission. If there is an interval of less than one year between the date of application, and that on which entitlement was conceded, the commission may make the award from the date of the grant or from the date of the application. If the period is in excess of one year then we may make it from the date of the grant, or for a period of twelve months. In cases of undue hardship where the period is in excess of twelve months the commission could add an additional six months. The point was, gentlemen, that in administering the Act there were some delays occasioned by the tremendous volume of work before the commission and we right away granted eighteen months because the commission considered it was a hardship to deprive any veteran of his award. That was done. We did find, as I say, the odd case where they were not fully covered and we obtained this added provision for an additional eighteen months.

Mr. GREEN: I suggest, Mr. Chairman, that it is unwise to put in these arbitrary dates unless they are absolutely necessary. Here you have a date dragged in, the 1st of January, 1945. Nobody will ever be able to explain to the soldier why that date is in there.

Mr. MUTCH: I should like to know, myself.

Mr. GREEN: If he had his award on the 31st December, 1944, I think he should be entitled to whatever help he can get from this section. I cannot see that it serves any purpose to leave in that restrictive date, particularly where the commission are given wide discretion.

Mr. MUTCH: I am at a loss to see it myself.

The CHAIRMAN: I do not understand it. A case might come up where you made an award before 1st January, 1945. Why should not you have the right



to exercise your discretion on that the same as one after that date? In other words, if he can make out a good case to get a retroactive award, why should not you have the right to exercise discretion, on a decision made before that date, the same as after? I do not understand that. What is the reason for it? Can you explain that?

Mr. CONN: I think I could give an explanation. I do not know whether it would be a very clear one. Up to the latter part of 1944 the commission were dealing expeditiously with applications that came before them. During the latter part of 1944 and in fact before that, there were certain cases where it was considered that the disability was slight and they apparently were set aside in order to give priority of treatment to men with serious disability and death claims, and claims of that nature. These cases that had been set aside were, in December, 1944, all reconsidered by the commission; and in fact I might say possibly that that was the first consideration the commission had given to those claims. I should not like to be quoted as to the number, but there were quite a number of them. At that time when the commission looked over those claims they found that there were a certain number who had a disability and where pension rights should be conceded. We found then that many of these men had been discharged in 1940 and 1941, had never complained, nothing further had been heard from them and nothing was done. When this situation was found, representations to this effect were made to the government and the chairman, I think, headed the delegation to this effect; the government said, "all right, we will give you power to review these cases if you find that these men should have had entitlement further back, or that any injustice has been done to them, through no fault of their own", and as the chairman has just pointed out, that does not mean sleeping on their rights. The Pension Act has been amended in regard to this war, but there were certain time limits in the Pension Act. If a man made application for pension, he had 90 days in which to apply for a second hearing. Then he had 6 months in which to apply for an appeal board if he was not entirely satisfied with his decision. There are certain time limits in there to insist that he move along with his claim. If through no fault of his own and through pressure of work the commission had not been able to consider that application, the government said "We will allow you to date it back three years in that case".

The CHAIRMAN: As I understand it, leaving this in or taking it out will not help or hurt anybody. Is that as I understand it?

Mr. CONN: Oh, no. If you take it out, I think it would probably broaden the application of that principle.

Mr. GREEN: Why or how? Could Mr. Conn explain how?

The CHAIRMAN: The chairman of the commission may be able to.

Mr. CONN: Because the delay occurred in these cases that were considered after the 1st day of January, 1945; prior to that time we were able to take care of these cases under the normal procedure of the Act. That is, we could date it from the date of the award, or we could date it 12 months prior to the date of the decision or in certain cases of hardship we could award an additional 6 months; that is 18 months. Up to the 1st day of January, 1945, it was considered that 18 months did not permit any hardship on any applicant. But after that, these cases I have referred to, were considered by the commission after the 1st of January, 1945, and this additional 18 months was not intended to apply to

any cases that were considered by the commission prior to that date. These cases were considered in the months of January, February and March; and under an order in council passed, in those circumstances, if through no fault of the applicant but through administrative difficulties, as the chairman has explained—difficulty in getting documents and other reasons, other administrative difficulties—hardship would result, we had authority in those cases to go back three years.

The CHAIRMAN: But if there is an award before that date and you were satisfied that there was no merit in it, you would not have to grant it.

Mr. CONN: That is right.

The CHAIRMAN: In other words, this does not in any way change the situation except that if by chance some case should come up which you thought had merit, then you would have the right to deal with it. I cannot see why there should be any objection to that, but maybe I do not see the point.

Mr. CONN: I am trying to explain the law.

The CHAIRMAN: Is there any real objection to it? It does not interfere with your discretion. It just gives you the right to deal with a case that you might think had merit.

Mr. CONN: If a case has been dealt with by the commission prior to that date he would not have the benefit of this additional 18 months.

The CHAIRMAN: You think it should not be taken out?

Mr. CONN: No. I would not say that.

The CHAIRMAN: I mean the commission.

Mr. CONN: I would not want to say that. The commission has not expressed any opinion on that.

Mr. MUTCH: Before I move that the words "provided" to the end in line 22 be deleted, I want to say a word or two about this section 27. I was not happy about section 27. There seems to be some difficulty with respect to a man who was disabled in 1939 or 1940, who was discharged, who applied for pension and pension was disallowed, in some instances because of representations from the defence services themselves. I have in mind the case of a man whose pension was disallowed. He continued to press his claim for a period of 3 years and the claim was finally admitted. In effect the pension commission reserved itself and said this man was pensionable, and he gets a certain amount of retroactive pension; but he has got two years of his disability for which he was not, under the Act as it was, pensionable. What I want to get clearly in my mind is this, would this amendment, with those two and a half lines deleted, enable the commission to make that man's pension retroactive for the period of his disablement? I understand, of course, that these cut-off dates came up when men were applying for pensions 20 years after they were disabled, after the last war.

The CHAIRMAN: Yes.

Mr. MUTCH: I am now speaking of a man who served in the second war and whose disability was disputed, denied, then admitted and who has a gap of two years. I wonder if the chairman could tell me if that man would be taken care of if we remove this limitation.

Brigadier MELVILLE: The Act provides today for a period of twelve months and for an additional six months in cases of hardship, and if you go to line No. 19, an additional eighteen months; so the total period would be three years.

Mr. MUTCH: The total period would be three years.

Brigadier MELVILLE: The maximum.

Mr. MUTCH: The veteran is eighteen months better off under this than he was before?

Brigadier MELVILLE: If a decision was rendered after the first day of January 1945, then he can go back, with this enabling authority, for the maximum period of three years, provided there was that interval between the date of his discharge and the date of the decision.

Mr. MUTCH: If we leave these words in and the decision was made in December, 1944, although the man had been pressing his claim, he could not come back.

Mr. CONN: Your man would not be in anyway.

Mr. MUTCH: That is what I want to know. I think at this point this committee should discuss the advisability of any retroactive limitation on veterans of World War II. I am perfectly aware of the reason for that limitation following World War I, and I supported it because it carried itself to fifteen or twenty years, in some cases twenty-five years, to a point of absurdity; but it seems to me there can be very little reason for denying to any veteran of World War II a pension for the whole period of his disability; that is to say, from the time he was discharged from hospital treatment and became first pensionable. I would not consent, Mr. Chairman, to section 10 carrying before I have had an opportunity to get further advice, and to propose, subject to that advice, an additional amendment to take care of that situation.

The CHAIRMAN: Then, we will have to let that stand and we will adjourn until Monday at 11 o'clock.

The Committee adjourned, to meet Monday, May 27, 1946, at 11 o'clock a.m.







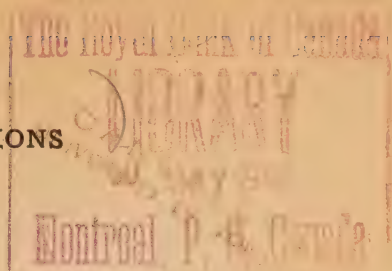




Gov. Doc  
Can  
Com  
✓  
CAI  
XC2  
- 45V21

Canada: Veterans Affairs, 1946  
" Ottawa, 1946

SESSION 1946  
HOUSE OF COMMONS



SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 22

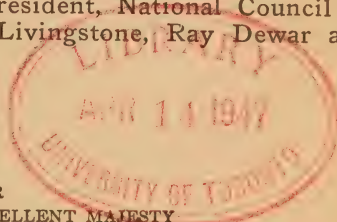
MONDAY, MAY 27, 1946

## WITNESSES:

Mr. W. S. Woods, Deputy Minister, and Major-General E. L. Burns, D.S.O., O.B.E., M.C., Director of Rehabilitation, Department of Veterans Affairs; Mr. J. L. Starkey, President, National Council of Student Veterans, and Messrs. Grant Livingstone, Ray Dewar and L. C. Garon.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1946





## REPORT TO THE HOUSE

MONDAY, May 27th, 1946.

The Special Committee on Veterans Affairs begs leave to present the following as a

### SIXTH REPORT

Your Committee has considered the matter of grants to universities, supplemental to tuition fees paid on behalf of student veterans, and recommends that the Government consider the advisability of introducing a bill to amend The Veterans Rehabilitation Act.

A draft of the bill proposed by your Committee is appended hereto.  
All of which is respectfully submitted.

WALTER A. TUCKER

*Chairman.*

## DRAFT OF A PROPOSED BILL TO AMEND THE VETERANS REHABILITATION ACT

### AN ACT TO AMEND THE VETERANS REHABILITATION ACT.

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section eleven of *The Veterans Rehabilitation Act*, chapter thirty-five of 1945 Statutes of Canada, is amended by adding thereto the following subsection:—

(4) The Minister may, with the approval of the Governor in Council and subject to regulations, make a supplementary grant to any university in Canada for the purpose of assisting such university to meet expenses incurred in the training of veterans in respect of whom tuition fees are payable under this Act, provided, however, that the amount of such grant to any one university shall not exceed one hundred and fifty dollars in respect of any one veteran for a twelve month period, and where tuition fees are payable under this Act in respect of a veteran for only part of an academic year, the amount of this supplementary grant in respect of that veteran shall not exceed a sum which bears the same relation to the sum of one hundred and fifty dollars as such period bears to the whole academic year, and provided further that in no case shall the total payments made by the Minister to a university in respect of any one veteran for any one academic year exceed five hundred dollars.





## MINUTES OF PROCEEDINGS

MONDAY, May 27, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Benidickson, Bentley, Brooks, Emmerson, Fulton, Green, Harkness, Herridge, Jutras, Lennard, Marshall, McKay, Merritt, Moore, Quelch, Ross (*Souris*), Tucker, Viau, Winters, Wright.

*In attendance:* Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Major-General E. L. M. Burns, D.S.O., O.B.E., M.C., Director of Rehabilitation, Department of Veterans Affairs; Mr. J. L. Starkey, President, National Conference of Student Veterans; and Messrs. Grant Livingstone, Ray Dewar and L. C. Garon.

The Chairman tabled an explanatory statement of the Pulhems system prepared by Lt. Col. R. B. Haley, which is printed as *Appendix "A"* to this day's minutes of proceedings and evidence.

Mr. Woods was recalled and answered questions regarding professional and small business loans to veterans, and regarding housing for veterans.

The Committee proceeded to consideration of a draft of a proposed bill to amend The Veterans Rehabilitation Act.

General Burns was called, heard, and questioned.

Clause one, and the title, were adopted, without amendment.

On motion of Mr. Herridge the draft bill was adopted, without amendment, and the Chairman ordered to report to the House accordingly.

Mr. Starkey was called, presented a brief on behalf of The National Conference of Student Veterans, (*printed as Appendix "B" to this day's minutes of proceedings and evidence*), and was questioned thereon.

Mr. Livingstone was called, presented a brief on behalf of the University of British Columbia, Branch 72 of the Canadian Legion, B.E.S.L., (*printed as Appendix "C" to this day's minutes of proceedings and evidence*), and was questioned thereon.

Mr. Dewar was called, tabled a copy of a brief on housing proposals prepared for the Royal Commission on Veterans Affairs by the University of British Columbia, Branch 72 of the Canadian Legion, B.E.S.L., (*printed as Appendix "D" to this day's minutes of proceedings and evidence*), was heard and questioned.

Mr. Garon was called, heard and questioned.

Messrs. Starkey, Livingstone, Dewar and Garon retired.

Mr. Herridge moved that the travelling expenses of two witnesses from the University of British Columbia be paid from Ottawa to Vancouver.

After discussion, and by leave of the Committee, Mr. Herridge withdrew his motion, and it was agreed that the matter of the payment of expenses of these witnesses be referred to the steering committee.

At 1.00 o'clock p.m., the Committee adjourned until Tuesday, May 28, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 27, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Order, gentlemen. I have here a statement explaining the Pulhems system which has been forwarded by Colonel R. B. Hale. It is fairly long and I presume the committee will not want me to read it. We could call it an appendix to our proceedings today.

(Report on Pulhems system appears as appendix "A".)

The representative of the University Student Veterans has wired the clerk of the committee—this was received by the clerk just before coming down to the meeting—as follows:—

A. L. BURGESS,  
Ottawa, Ont.

Arrived Ottawa this morning stop Cannot make appointment for eleven o'clock will be there eleven thirty.

(Signed) LEN STARKEY, *President*,  
National Conference of Student Veterans.

In the meantime there are two things that we could do.

Mr. McKAY: Mr. Chairman, I wonder if you are in a position to make any statement about loans for business purposes, and also respecting changes in connection with housing under the Veterans Land Act. A statement appeared in the press over the week-end to the effect that the government had not only considered but had committed itself to a policy of making veterans loans. If that is the case, then I would like to point out that I think we should be informed of such matters in this committee; and if such is the case it should not have been made public.

The CHAIRMAN: Mr. Winters told me this morning that he had noted such an article in the newspapers and he intended to bring the matter up here today. I think the deputy minister is quite familiar with what has been going on in that regard and can tell the committee just what the present state of affairs is in so far as it is proper to announce it.

Mr. WINTER: There was also a question, Mr. Chairman, of assistance under the Veterans Land Act to veterans who want to buy or build homes in Canadian towns and cities. There is the newspaper which refers to it.

Mr. W. S. WOODS (*Deputy Minister of Veterans Affairs*): So far as the first question is concerned, the question of loans for business purposes, that has been under pretty constant consideration for some little time. It is not correct to say that the government has already made any pronouncement or commitment on the subject. It is correct to say that it has reached the stage now where it is under immediate consideration by the government. I am sure, Mr. Chairman, that the members will realize that if any such proposal is enacted at this session, administration would of necessity have to be by the chartered banks of Canada. That would simplify administration tremendously. Discussions have been necessary and were held with the chartered banks of Canada quite recently, and I think the proposals are now in a shape where

they are very high on the order paper for consideration by the government, but no government decision has yet been taken or announced.

Mr. Ross: Would the deputy minister be prepared to comment about homes within city or town limits?

Mr. McKAY: May I ask that we may be assured that this committee will be informed in advance of the press in future in connection with matters of this kind?

The CHAIRMAN: The press has not been notified of anything. Somehow somebody has found out that the matter has been under active study, that is all. There has been nobody in any position to make any announcement yet. The fact is, of course, that the matter has been under active study, as the deputy minister said; but somebody has found out about it, that is all.

Mr. PEARKES: What about this housing statement?

The CHAIRMAN: In regard to the other matter, the question of veterans housing, that is a question which also has been under active study ever since the end of the last session, and various proposals in regard to improving the situation have been made and studied, too. It looks to me as if some very enterprising and energetic newspaper man has got hold of some suggestion as to what has been studied; but there is nothing there either where there is any possibility of making any announcement at the present time.

Mr. Ross: Just to follow that point up, Mr. Chairman, I understand that quite recently all matters pertaining to national housing, war-time housing, and veterans' housing, have been concentrated under the head of one department, the Department of Reconstruction. I am wondering if the deputy minister would say whether the Veterans Land Act will need some readjusting in order to come into that picture; whether they will have to appear in it, or whether they come into the picture at all.

Mr. Woods: I must first of all say that I have not yet read Mr. Howe's statement. I heard reference made to it over the radio last night. But, as the chairman has said, discussions have taken place on the subject of integrating more closely the activities of the three agencies which are now interested in housing, particularly for veterans; that is, the Veterans Land Act, the Housing Corporation, and the Department of Reconstruction, Wartime Housing. Discussions have been going on for some time with a view to co-ordinating the work of these three agencies and avoiding overlapping. It seemed inconsistent to have one block of buildings out near the civic hospital being conducted by wartime housing, and a little further on out on the Prescott highway another block of buildings being constructed by another department of government. It was with a view of trying to effect some co-ordination with respect to housing of an urban type near large industrial centres so that the agency constructing the project would at least consult with the other agencies before proceeding. So far as I know there has been no proposal to change any legislation. The proposals have all been directed towards closer integration of the three agencies that are constructing housing and to evolving, if possible, a policy that will avoid duplication, conflict of ideas, and a conflict of division of material and so forth. It is not a legislative matter; it is rather an administrative matter, designed to improve efficiency and avoid overlapping. Having said that, that arises from my having sat in with the committee which discussed the matter, but without having had the benefit of knowing what the minister said in his statement to the press.

Mr. Ross: But in so far as the Veterans' Land Act is concerned, particularly in regard to small holdings, there is no change in that respect?

Mr. Woods: No.

The CHAIRMAN: There will be no interference either with the right of the director to carry out his duty under the Act; it is aimed at coordinating his work with that of other people concerned in housing.

I believe that Mr. Starkey is here now. I presume he has a colleague with him to assist him in making his presentation to the committee. We will hear him. As the committee know, we arranged for a special sitting of the committee to hear these gentlemen so as not to interfere with our other program. I would ask Mr. Starkey to come forward, please.

Mr. FULTON: Mr. Chairman, just before you do that, I have had a conversation with two witnesses who are here, Mr. Livingstone and Mr. Dewar, representing the Dominion Association. At the time of the Legion convention we were approached to see if we could arrange for a meeting at which the Dominion Association through veterans might give evidence. We understood they would be available today. We have just received a telegram explaining that they are not available but Mr. Livingstone is an official of University Branch No. 72 of the Canadian Legion, University of British Columbia. He is the representative of the veterans' association there. I talked the thing over with him and I trust the committee will appreciate their difficulty. These gentlemen explained to me that they had intended to present their submission to-morrow, not to-day. As the result of the misunderstanding which has arisen they have not got their material prepared in the form of a brief. They are prepared to outline their views and policies with respect to the position of the student veterans, and they will be prepared to submit in writing tomorrow what they outline today. In view of the special circumstances perhaps the chairman and the committee would be prepared to hear these gentlemen today, and they would at least be available for examination should any matters be brought up on which additional information might be desired.

The CHAIRMAN: Are you sure that Mr. Starkey will not be here? His telegram says he will be here at eleven-thirty. I thought he had come in. I did not notice it was not he. We have a telegram saying that he would be here at eleven-thirty.

Mr. LIVINGSTONE: I am sorry, Mr. Chairman, I cannot answer for him.

The CHAIRMAN: We had better wait until eleven-thirty, when he said he would be here. There is one matter that we can make good use of our time on. This draft of a proposed bill to amend the Veterans Rehabilitation Act is something that should be dealt with, I think, as soon as possible. I do not think it will take us very long. This draft of a proposed bill was circulated to the committee quite a long time ago. It provides for an amendment in regard to the way in which money grants may be made to universities to help defray extraordinary expenses of universities resulting from demands under the rehabilitation program. As the committee knows grants are made now to cover tuition and incidental costs of the course, and then provision was made for an additional \$150 to be given in respect of each student. This authorizes the regulations setting out the conditions under which the grant may be made, and it contemplates that the universities will show in what way they are doing something extra for the veterans to justify receiving these extra expenses. It is not intended that grants should be made for capital expenditures other than for temporary buildings and for equipping them. This amendment, which has been distributed, provides the basis of these grants in the future. The universities would like to know as soon as possible that they can rely on getting these grants again. It was suggested that if a resolution appeared on the order paper preparatory to the bill being introduced then, of course, they could absolutely rely on the grants. What this draft of a proposed bill provides is that:—



1. Section eleven of the Veterans Rehabilitation Act, chapter thirty-five of 1945 Statutes of Canada, is amended by adding thereto the following subsection:

(4) The Minister may, with the approval of the Governor in Council and subject to regulations, make a supplementary grant to any university in Canada for the purpose of assisting such university to meet expenses incurred in the training of veterans in respect of whom tuition fees are payable under this Act, provided, however, that the amount of such grant to any one university shall not exceed one hundred and fifty dollars in respect of any one veteran for a twelve month period, and where tuition fees are payable under this Act in respect of a veteran for only part of an academic year, the amount of this supplementary grant in respect of that veteran shall not exceed a sum which bears the same relation to the sum of one hundred and fifty dollars as such period bears to the whole academic year, and provided further that in no case shall the total payments made by the Minister to a university in respect of any one veteran for any one academic year exceed five hundred dollars.

I take it that there will be very little difference of opinion about this. I thought that while we were waiting on Mr. Starkey if we would recommend this the government could then put a resolution on the order paper and the universities would then be in a position to rely on getting this grant. It is a grant which they have been receiving hitherto, but this provides the conditions on which it may be received in the future. Is there anything that you, Mr. Woods, or General Burns would like to add for the information of the committee.

Mr. Woods: This proposal was agreed to at the University Advisory Committee which comprises the heads of quite a number of universities throughout the dominion. The difference is that last year the government paid \$150 per pupil per term regardless of the actual expenditure to which the university was put. The change that has taken place, as this present proposal envisages in the bill, is that the government will pay the grant of \$150 per pupil per term but it will be on an accounting basis, that is to say, it will be disbursed on evidence from the universities that they have actually undertaken that expenditure. Heretofore it has not been an accountable grant. It is now changed so that it will be an accountable grant, and that was concurred in by the university heads through the University Advisory Committee.

The CHAIRMAN: I should say, too, that this will not interfere in any way with our making further recommendations in regard to these rehabilitation grants. If we do make them, and the government acts on them they will be the subject of a further recommendation, and if it is deemed advisable then they may be amalgamated together in one bill but, at any rate, this will enable the resolution to go on the order paper and set at ease some of the universities in regard to their planning as to the future with some certainty. If this meets with approval, gentlemen, we could report it right at once.

Mr. Brooks: Is there any difference in the amount asked for by the different universities? Have they all asked for \$150 irrespective of whether it is medicine or law or engineering or whatever it may be?

Mr. Woods: The universities agreed on the amount of \$150. Certainly their needs and requirements vary accordingly to universities, but it is felt that by and large the amount of \$150 per pupil will take care of it now. In some universities we feel that they will not expend that amount per pupil. It is going to be on the basis of their expenditure.

Mr. Brooks: That \$150 is the maximum?

Mr. Woods: \$150 is the maximum.

Mr. BROOKS: They are paid on the basis of expenditure up to that amount?

Mr. WOODS: That is it.

Mr. McKAY: If \$150 is the maximum I cannot understand the purpose of having these words in the section, "provided further that in no case shall the total payments made by the minister to a university in respect of any one veteran for any one academic year exceed \$500".

Mr. QUELCH: I think the witness is here. Can we hear the witness now and go on with the bill afterwards?

The CHAIRMAN: We can do that. I noticed that apparent discrepancy and General Burns can be preparing himself to answer it. It seems to say that it shall not exceed \$150 in one place and in another place \$500.

General BURNS: That includes tuition fees. It is tuition fees and the special grant together which shall not exceed \$500.

Mr. McKAY: That should be set out then. It should be stated that this includes tuition fees as well as the other. It does not say tuition fees.

Mr. WOODS: It says total payments for all purposes.

Mr. GREEN: That is for one year?

Mr. WOODS: Yes.

Mr. GREEN: Is this \$150 set out in the new subsection in addition to another \$150 previously paid?

Mr. WOODS: No, it is \$150 to provide for additional laboratory and class-room accommodation, and so on.

Mr. GREEN: But you are already paying \$150?

Mr. WOODS: No, only for last year. This is for the current fiscal year, and the \$150 heretofore was only for last year.

The CHAIRMAN: It was under an order in council and regulations.

Mr. WOODS: Up to the first of July, 1946; thereafter we made a new arrangement, and we pay another \$150 after July.

Mr. GREEN: Why is it called a supplementary grant? What is it supplementary to?

General BURNS: Tuition fees.

The CHAIRMAN: Really one of the purposes of this is to make sure that the pupils get the full benefit of it. I think it is very good myself. Could we carry this, or do the members wish to discuss it further?

Mr. LENNARD: What has this got to do with this presentation?

The CHAIRMAN: If we can agree on this unanimously we can put it through and report it to the House.

Mr. LENNARD: Why not settle one thing at a time?

The CHAIRMAN: If we can carry this now . . .

Mr. LENNARD: I do not see any connection between this and what these gentlemen are here for.

The CHAIRMAN: We were waiting for them to come. If we can carry this we can report it to the House. Can we carry it?

Carried.

Then, may I have a motion to recommend this to the House in a report?

Mr. HERRIDGE: I so move.

Mr. BENTLEY: I second that.

The CHAIRMAN: All in favour?

Carried.

Mr. Starkey has arrived, and if he and his colleagues will come forward, he can make his presentation and introduce them to the committee.

**J. L. STARKEY, President, National Council of Student Veterans, called**

The CHAIRMAN: Mr. Starkey says he has some copies of his brief which he can pass around. Will you proceed now, Mr. Starkey?

The WITNESS: Mr. Chairman and gentlemen: I am here representing the National Council of Student Veterans which in the main represents the university student veterans of the country and in effect represents all students taking training as problems of all veterans taking training are very similar. First of all I should like to point out that I realize that this committee has discussed this question and has come to conclusions on these matters before. In other words, I believe as far as this committee is concerned the matter is closed. I have a letter from the minister which he calls an interim reply to the presentation of our brief here in Ottawa in January. In answer to the brief he points out that the problem is very complex, and in his opinion the whole matter should be discussed by this committee again.

In presenting this brief I should like to mention the recommendation that the committee reopen discussion on the whole matter of vocational and university training for veterans.

Secondly, I should like to point out that we do not feel this brief of necessity is complete or necessarily accurate in all its aspects. The conference which was held in December, 1945, was called after a number of spontaneous requests for some action by student veterans had been passed around to various universities last fall. We called this conference in as great haste as we could to coincide with the discussion of this question by this committee, but unfortunately we were not able to call the conference soon enough to present the findings of the conference to this committee before you had closed your discussions on this matter.

I should like to give you a few general remarks as to our approach, and then as you have the brief before you, you might ask us questions on points which are not clear and on which we could present our stand.

First of all the whole question was raised purely from a student veteran's point of view in the beginning and it was mainly raised around the question of the adequacy of the maintenance grants, but as the proceedings progressed, as we became more acquainted with the problem, we realized that first of all our problem was a part of the whole problem of rehabilitation, that in the main our problems were not to be considered separately from the problems of veterans as a whole nor even separately from the problems of the people of Canada as a whole in this period of reconversion. We agreed with the statement made by the minister in the pamphlet "Back to Civil Life" that adequate rehabilitation for all veterans meant that they should have a job with reasonable security and be able to establish themselves in civilian life in this way. In approaching training we feel that the most important point to keep in mind is that training is only a means leading up to such a situation. There are large numbers of veterans who have very little skill. They are not skilled at all, and if they are put on the labour market in Canada in this condition they will be in a very unfavourable position as regards rehabilitation from the point of view of having jobs which will give them adequate security for the rest of their life. I might say that in recommending the increase in grant which we do the increase is supported by figures which we ourselves obtained. We do not claim that they are the most accurate figures in the world, but they are also supported by figures obtained by the Bureau of Statistics.

Their more accurate figures certainly back up what we ourselves have found. So, the way we look at this question is that we want to be sure that this program, which is certainly a very fine program and establishes a new principle in Canada as far as education is concerned—that is, that all people who are worthy of education should receive it whether they personally are in a position to pay for it or not—must be strengthened in order that during the course of the next few



years no veteran will be in the position where he will have to leave university or quit vocational training for lack of funds or finances. This is the most important aspect of this problem. There has as yet been no large efflux from the universities, but only last week the authorities of McGill University saw fit to present a press release to the Montreal papers that unless something was done to ensure that all veterans attending the university should be in an adequate position financially to complete their training, there was great danger of large numbers of veterans being left out in the cold. This is a statement from the university authorities and is not a statement from the student veterans of McGill University.

*By Mr. Benidickson:*

Q. Have you a copy of that?—A. No, I am sorry I have not. It was in the *Montreal Star* of Tuesday of last week, I believe. So I feel that this in the main gives an introduction to our attitude to this question. We understand that the solution of the housing problem will be a part of the solution of our problems. We realize that so far as veterans are concerned at the university, this is a fairly short-term problem and therefore emergency measures, as far as housing at the university is concerned, should be taken and can be taken in a practical way. Also we realize that the housing problem is a problem for all people, and one that, from the long-term point of view, should be solved by the federal government in collaboration with the provincial governments and the municipal governments. So I think I will end my remarks here; and if anyone cares to raise a question I will do my very best to give him our point of view on this matter.

The CHAIRMAN: We will publish your brief, with the approval of the committee, as an appendix to the proceedings to-day. Is that satisfactory to the committee?

Some Hon. MEMBERS: Carried.

(Brief appears as Appendix B.)

The CHAIRMAN: Does anyone wish to ask Mr. Starkey any questions?

Mr. BENIDICKSON: I have forgotten some of the details with regard to these grants and probably some of the other members of the committee have done so, too. I think for the sake of the record if I ask a question or two, we might get an idea of what the present rates are, whether there has been any increase on the original amount and whether the grants are paid for 12 months a year or whether they are just paid during the academic term; or what the situation is. I wonder if we can get from the deputy minister what the present arrangements are?

The CHAIRMAN: Could you give a statement on that, Mr. Woods?

Mr. WOODS: The grant for a single veteran attending university or taking vocational training is \$60 a month. The grant for man and wife is \$80 a month. In addition to that, for children, there is paid \$12 for the first, \$10 for the second, and \$8 for subsequent children. In addition to that children's allowances are paid under the National Health Act. In addition to the living allowances I have mentioned, their tuition fees are also paid. The scale of allowances showing the effect, according to the number of children, I think was placed in the record last year. For example:

Man, wife and 1 child .....	\$ 92
Man, wife and 2 children .....	104
Man, wife and 3 children .....	114
Man, wife and 4 children .....	122
Man, wife and 5 children .....	130
Man, wife and 6 children .....	138

The CHAIRMAN: Is that with the family allowance?

Mr. WOODS: No. The family allowances are paid in addition to that.

Mr. FULTON: Is that after the increase which, I believe, was made last year? Was there not an increase in the amount?

Mr. WOODS: The increase, I think, was given the year before last, was it not?

Major General BURNS: 1944.

Mr. WOODS: In 1944.

Mr. FULTON: Those are present figures?

Mr. WOODS: Those are present figures.

Mr. BENIDICKSON: What were the original figures?

Mr. WOODS: The first figures under the Post-Discharge Re-establishment Order were \$9 and \$13 a week. Then it was changed to \$10.20 and \$14.40, as I recall it. Then it was changed in 1944 to \$60 and \$80 for single and married men, respectively. By the same token, there was very little training done during the early days except vocational training.

Mr. BENIDICKSON: The average academic term lasts only about 8 months. Are the allowances paid for 12 months or 8 months?

Mr. WOODS: The allowances are paid during the term while a student is actually taking the training.

Mr. JUTRAS: Is the allowance the same for university training and for vocational training?

Mr. WOODS: Yes.

Mr. PEARKES: The Minister of Agriculture said the other day in the House that students were getting \$10,000, or could get \$10,000. Under what conditions would they be able to get that amount of money? I do not think that is what the average student gets. Is it?

Mr. WOODS: I would say that that is rather exceptional and perhaps it included post-graduate training. But members for themselves can figure out how much would be involved in a full course in medicine.

Mr. PEARKES: I have not been able to figure out how he arrived at that amount and I thought you might be able to enlighten me.

Mr. WINTERS: Does that include the Veterans' Land Act, for instance?

The CHAIRMAN: No. What he must have had in mind was post-graduate benefits as well as the medical course.

Mr. McKAY: Further to what Mr. Benidickson has said, these grants do not include money for books or any transportation charges that the veteran may have to pay, not only going to university from his own home but rather, as in the city of Montreal, where he has bus and street car fares to pay every day to get back and forth to the seat of learning. Am I correct in saying that?

Mr. WOODS: It is hardly correct to say that it makes no provision for transportation from his home. For the first attendance at university, transportation can be paid there and return transportation to his home. The matter of text books is presently under consideration.

Mr. McKAY: Is that true in the case of university students, as regards transportation allowance, or is that the case only with regard to vocational schools?

Major-General BURNS: Mr. Chairman, I am sorry I misadvised the deputy minister on this question. There is no transportation allowable.

Mr. WOODS: The transportation is for vocational training.

Mr. McKAY: That is right. That is what I thought.

Mr. HERRIDGE: Mr. Chairman, could I ask the witness this question: what was the recommendation passed by the dominion convention of the Legion recently at Quebec?

The WITNESS: The Legion recommended that single veterans be paid \$70 instead of \$60; that a book allowance be given, which we were told is being considered by the government at present, of \$5; and that married veterans be given \$100 instead of \$80, plus the same book allowance.

*By Mr. Benidickson:*

Q. \$5 a month?—A. \$5 a month.

Mr. MERRITT: Having regard to veterans attending summer schools, which I take it there will be, would they get this monthly allowance?

Mr. WOODS: Yes; any course that is approved and that is towards their degree, they get paid for.

The CHAIRMAN: Before we call on the other gentlemen, Mr. Woods, do you or General Burns wish to make any statement or give any information to the committee in regard to this question?

Mr. WOODS: Not at this time, Mr. Chairman. I suggest that you give an opportunity to the witnesses to state their cases.

The CHAIRMAN: Yes. Do you wish to call any of these other gentlemen, Mr. Starkey?

The WITNESS: If any one of them wishes to say anything, I should be glad for him to have the opportunity to do so.

The CHAIRMAN: Would you give your name to the committee, and your position?

GRANT LIVINGSTONE, (President of the University Branch of the Canadian Legion, University of British Columbia): Mr. Chairman and gentlemen, I represent here to-day the University of British Columbia branch of the Canadian Legion. We are affiliated with the National Conference of Student Veterans, and we were represented at their conference last December. However, primarily I should like to say that to-day I represent the viewpoint of the student veterans at one particular university, the University of British Columbia, and I have a somewhat different emphasis on the picture to present. I might say that I did expect that I should be called, if at all, to-morrow and I had intended to have a written brief at that time. I must apologize for not having my material thoroughly organized for that reason. However, the picture which I should like to present, gentlemen, is the need for an increase. My feeling is—particularly after many of the remarks at the dominion convention of the Legion which I considered were very sound—that it is not so much our duty as it is yours to work out an answer to this problem; that the problem should be couched to you in general terms and that it be left to you to decide on the answer.

I have some suggestions to make on the subject, aside from the increase already mentioned by Mr. Starkey. There are alternative courses, I feel, and I will make those suggestions. But again, in line with the remarks made on many occasions during the convention, it is up to the officers of the department and it is up to you gentlemen really to make concrete suggestions as to how to meet the problem. Therefore in presenting the problem I should like first to say that most student veterans—in fact, I am quite sure all of them—at the University of British Columbia and probably across the country, do appreciate the opportunity which they have been given—and are very grateful to the country for it—of training themselves and the opportunity of fitting themselves for public service in the interests of the country later. I should like to say that they keenly appreciate that, and it is not in any sense of coming to demand something from a dissatisfied point of view that we present this brief.



I would like to say that it is our point of view merely that the scheme should be regarded as an investment. Any increase or modification to the scheme is, we suggest, in the nature of an insurance on that investment. We feel it is a very worth while investment.

Other countries have followed Canada's lead in this respect and have gone beyond her in some respects; and all have in mind the principle that has been outlined numerous times, particularly, I believe, by the Minister of Veterans Affairs, that of training the leaders of the country, the future leaders of the country, from the men who served the country in a time of crisis. I do not wish to blow the horn of the student veteran, or to say that he considers himself to be the divine leader of the future, but it is, I think, a practical fact that a man who has served his country, as you, gentlemen, will surely realize, that a man who has served his country unselfishly in time of war will have the country's interests at heart for the rest of his life, and while that can be the assumption in his case it must be proven in the case of others. It is a very worth while investment, then.

As to the state of the investment at the present time, there are at the University of British Columbia—I have not the exact figures of all the married students there—but I know there are 500 married students who have not any accommodation, or who have not suitable accommodation for themselves or their families. I know that to be a fact because we opened a registry for married students in the hope that we would be able to start a prefabricated housing scheme, and this was to be the application registry. But we stopped registering after 500 because the prefabricated scheme did not seem to be immediately in sight. We could not go on taking down names when there was very little in sight to offer the people whose names we were taking. Some of those names I have here at hand and I shall offer them to you for tabling. I have here some 20 applications on the form that we used, and I think you will realize from them the desperate situation with regard to housing and with regard to married students.

Now, to dwell upon the individual case, I have one particular chap in mind, a member of our branch, who, last fall, managed to get a place for himself and his wife, a damp basement. His wife—incidentally, he paid, although I forget the exact rate, I think it was an exorbitant rent for this particular place—his wife fell ill due to the dampness, and he had to spend some two months of his time, when he should have been studying, to scrounge around and try to find a better place. He finally did so but at the rate of \$70 per month which left him only \$10 to pay for his meals and his wife's meals. So you can appreciate the individual case, and if you thumb through some 20 applications for these houses, that is the housing aspect, and that is the real need at the present time, for an increase through housing.

However, as Mr. Starkey has outlined to you, regardless of the housing aspect alone, and even if we assume that the housing crisis could be met fully, which I do not think we can assume, there is a considerable deficit on the part of both single and married students presently attending university, a deficit to such an extent—\$18.30 for single, and the other \$39.39 for married per month, at the University of British Columbia. It is higher, I believe, at other universities, so that when savings are exhausted, people who have now embarked on this educational scheme and have now undertaken it, will definitely be forced to leave it half way through their university career. Now, gentlemen, it may be possible for a person to borrow privately. Take the case of a married person. Perhaps he can borrow and go into debt to the extent of \$20 or perhaps \$30 a month, but I do not think his wife would appreciate it. Many of them say that their wives would simply not allow it. Personally, I do not feel that to borrow to the extent of \$30 a month is something which the average university student could undertake to do; and in the case of the average undergraduate

student, I do not think that that scheme is in any way the answer to the question of how to make up the deficit.

However, there are other possible ways in which I feel you can meet this problem of these very considerable deficits which will force students to leave school next year unless it is met. In the first place, I think a greater differential must be established between the single and the married students. One example of the present differential of \$20—we had, last year. Two weeks ago there was an application made or an offer for a dwelling for two people in the city of Vancouver. It was supposed to be for two single students. However, we asked if the person involved would not accommodate a married couple, because the need was desperate. They said they would, but they must charge the same rate for each member of the couple. In short, \$40 a month for room and board, which would leave exactly nothing left of the allowance. I believe, however, that the offer was accepted. Nevertheless, it is merely an illustration of the determination of married students, particularly veterans who have undertaken this scheme, to carry on no matter what the sacrifice involved may be. There are other ways beyond that. If married students were raised to at least \$100 per month—at least, and that is the Legion's recommendation; although it might not meet the deficit, it would certainly go a long way towards doing so.

Yesterday I heard about aspects of the British program similar to this which I feel might well be adopted in Canada. It is the student who lives away from home who has to pay the most. A student living at home can, perhaps, pay much less or in some cases nothing, but I think that would be exceptional. I do not know how it is administered, but, if it is working in Britain I see no reason why it could not work in Canada. Again, I leave that to you merely as a suggestion.

Further to that, one of the greatest worries on the part of married students is the health of their wives and of their children, in the case of a married couple living on the present allowance. If they are blessed with reasonable health they can carry on, but in exceptional cases they might suffer. In the course of nature will come along a little one; so I do not think that the answer to that particular problem, and I am sure you will agree with me, lies in a restricted birth rate. It is a natural occurrence; yet, what is the situation if infants arrive in a family? There are hospital expenses, there is the health of the mother which is impaired often for some considerable time; and if she has been working, she won't be able to continue to work. Secondly, the student is almost inevitably forced to go heavily into debt, if he is able to borrow, but usually he is not, or else he has to quit and take a job, perhaps half way through the investment that has been made in him.

Therefore, I think, gentlemen, it would be an excellent matter for your consideration, an excellent experiment, perhaps, in health insurance on a broader scale, if you were to lay down some means of health insurance for the dependents of the university student and the vocational training student while he is undergoing his course of training. To do so, I think, you would find it to be of great benefit from two points of view, first, in solving this problem of student veterans; and secondly, as an experiment to see how it works out in view of the fact that many people to-day, the country at large, I think, are closely watching the possibilities of health insurance.

Then, there is the possibility—and I feel that this can only be undertaken when a large measure of the present problem is met—to take care of the exceptional cases. I believe a loan scheme should be established, that is, not on the present basis of \$60 and \$80, but when the Legion's recommendations of \$70 and \$100 have been met, and book allowances have been provided, or in some other way the present average has been covered under the scheme. In short, if we raise the level of grants and other amenities to the average level, and then



take care of exceptional cases above the average, we should institute a loan scheme. That, I think, will provide a considerable answer to the problem. Now, Mr. Chairman, if I may, I would like to table this statement of individual cases. It is a brief which was drawn up before the Legion convention by our branch.

(Brief by Student Veterans of the University of British Columbia, appendix "C")

The CHAIRMAN: The brief consists of about 4 pages and I take it that it is satisfactory to have it tabled and printed as an appendix. These are individual cases, and I take it that is the best way to deal with them, to leave them with the clerk of the committee so that any member may look at them. Is that satisfactory?

Mr. GREEN: Are they very long?

The CHAIRMAN: Well, they have the names and so on; I do not think we want to have them in the record.

Mr. GREEN: Couldn't there be a summary made of each case, and the summary put in the record; they are not of much use if they are left with the clerk because nobody ever reads them.

The CHAIRMAN: It shows each individual case, the name and address; are you married; the dependents; when do you expect to finish; could you pay one year's rent in advance, about \$300; can you get your own furniture; would you keep your accommodation through the year; what is your present housing situation; and it gives the actual details of these persons' situation, I do not think it should go into the record.

Mr. WINTERS: It should not go into the record.

The CHAIRMAN: But it is available for any member to look over, and if you wish to summarize these in some way and give them to me to-morrow, we could file them, and we could print the summary.

Mr. LIVINGSTONE: Personally I had intended to do that if I had had the time.

The CHAIRMAN: Very well, if you will do that, we can do so to-morrow. Do you wish to ask any questions of this witness?

Mr. HERRIDGE: I have listened with sympathetic interest to the witness but I would like to ask him a few questions because, to me, this is a very difficult problem: I want to see us do all we can for the student veterans, yet, at the same time, I am quite sure that the government can only go so far in this matter. I have this table here, cost of maintenance, as gleaned from the brief which has been submitted and it mentions, so far as basic costs of living are concerned, the following items: room and board. That is clear. Now, it mentions laundry. I can well understand a single man having such a cost; but is it necessary for a married man to show the cost of laundry? Will the witness please explain that?

Mr. LIVINGSTONE: It is necessary in this respect: a number of married students, especially those who have no children—it is necessary for their wives to work and therefore they receive grants as single men not as married men; and therefore the cost of laundry is a very necessary cost for the wife is not in a position to be able to carry out one of the normal duties of a wife. Secondly, in many cases, due to insufficient or inadequate housing facilities, even if the wife is not working, the facilities for carrying out this normal duty of a wife are not adequate, and they are very difficult to carry out. We must understand that many students are living in single rooms, and where they can get room and board they have not the run of the house in the normal manner; and therefore this is a very normal expense.

Mr. HERRIDGE: Then, I have a further question in that respect: if the wife of a student is working and he was receiving the benefits of a single man, would you say that the government was justified in giving him an additional allowance?



Would you say that his wife should make some contribution to his getting an education?

Mr. LIVINGSTONE: I would certainly be in favour of the wife paying her share of the expenses, but I certainly would not be in favour of a wife supporting a man who fought for his country overseas and assumed the responsibilities of a man; I certainly would not be in favour of a wife supporting that man. At least these men should be able to pay their own expenses. I say that any married veteran who is not working should be able to pay his share of the cost of living, and maintain a home.

Mr. HERRIDGE: Just one other question, Mr. Chairman, on this item of recreation I want to ask this question so as to get clear how these costs are arrived at. What would be included in recreation? We have to have some reasons on which to make a decision. Do you feel that you are justified in asking the state to pay for a student's recreation while receiving assistance from the state to obtain a university education?

Mr. LIVINGSTONE: Yes. I feel that a certain amount of recreation is part of a reasonable standard of living for any person. When we took these figures on our own we impressed upon the men that they should not give any abnormal figures for recreation; but these figures in the main would include such things as attending normal university functions during the year, functions which all students who are financially capable normally attend as part of normal university life—such things as going to a moving picture once a month or twice a month, buying cigarettes and so on—just the normal, what you might call frugal expenses. I do not think anybody would be in favour of a veteran being put into a position where he had to spend a large portion of his time studying and the rest of his time earning the extra amount of money necessary to keep himself going. I do not think we could call that a very sound position.

Mr. McKAY: I wonder if the witness could say whether or not item (h) is a sufficient expenditure to cover the possibility of dental and medical care after one year is up. Some universities have established or are establishing provision whereby the students will receive medical care. I ask that question to ascertain whether they have taken into consideration what might happen after the first year?

Mr. WOODS: Might I be permitted to answer that question and throw a little light on it? Our treatment regulations provide that whilst a man is taking training either at a vocational centre or university training, our department will provide medical treatment and dental care.

Mr. GREEN: That is just for the man himself?

Mr. WOODS: Yes.

Mr. LIVINGSTONE: May I make an observation in respect of the question asked by Mr. Herridge? I may say, gentlemen, that our branch has tried this year to act as responsibly as possible in this matter, and in every other matter; and it is with that in mind that I have come chiefly to advocate the Legion's \$10.20, while I still feel that the \$20.40 rather than the \$10.20 for special amenities will answer the problem. Last fall when the proposal was made to us at the conference, we held a discussion of these problems and we felt we should undertake to find out exactly what the problem was. We, therefore, at U.B.C. undertook a very comprehensive survey of the student veterans as regards living costs. We asked everybody to be as conservative as possible in their figures, and I am quite sure that they were. I think that the Dominion Bureau of Statistics will bear us out in that. I believe the Bureau showed a far higher cost; at least a higher cost than we did. I might say that the sum total of what we considered the government should not be necessarily held responsible for, both

in capital and non-essential expenditures—that included recreation—we felt that if a student were to purchase for instance, a trillite lamp on a time basis, that that should not be charged against his maintenance because it is a capital expenditure and he will have that lamp when he graduates. Therefore we included items which constitute recreation. For a single man we arrived at a figure of \$10.25 per month; and for married people it ranged through several classes of married veterans with different numbers of dependents, to \$12.30, and \$9.59, and \$20.84. Those were the figures of the capital items and non-essentials which would then be deducted from the \$78.30 for single and \$119.39 for married. Therefore, the total arrived at for a single person would be a deficit of \$8.05 at U.B.C. of essential expenditures—that is without any recreation, cigarettes, or anything else taken into consideration his deficit would be \$8.05 per month, as of last December—costs have risen since—in the case of married men it would average some \$30, perhaps a little less, \$25 to \$30 of absolutely essential expenditure. Again I would like to emphasize that this survey is somewhat out of date. I am sure that costs have risen since, particularly in rent, and that the figures of the Dominion Bureau of Statistics show even higher costs than that; so I do not think that has entered into this basic idea, particularly with regard to the Legion's proposal of \$10.20.

Mr. Mutch: Might I ask in this connection whether the students made a survey or canvass of the possibilities of work for students during the five months vacation, or whatever time it is; I think it is either four or five months? It seems to me that the single student possibly would have a much better chance than the married student to save money during that time to help to pay his expenses during the months he was at college. I would like to ask if they have made a survey of that situation and whether it has been taken into consideration?

Mr. Starkey: This being the first summer during which a large number of veterans will be faced with this problem of employment, we are not in a position to give any definite evidence on the matter; but at McGill University we have a bureau which is known as the Uni-Vet Enterprises and they have made an extensive survey of the type of jobs the boys can get during the summer. As a summary of their work the director of this organization told me that veterans will have to be satisfied with lower wages this summer than could have been obtained during the war, for example, and he gave as an offhand figure \$75. We at McGill are doing something about the employment question. We are trying to initiate a centralized employment bureau for all students which would cover this problem, and also a national conference towards the end of this summer to take a survey across Canada of the type of job and the wage obtained by students during the summer so that we will have definite facts and figures on which to present a case one way or the other. But I do not think we can assume, even under the best of conditions, that the students can save a great deal for a summer if they are dependent upon their allowances during the year for their living expenses. They certainly will, during the summer, have to spend most of their earnings on maintaining themselves during that period. As was previously pointed out, the grant is cut off as soon as the student leaves the university or vocational training school.

Mr. Benidickson: One of the witnesses has said that other countries are doing better than Canada with respect to educational programs; could he give us any information on that point?

Mr. Livingstone: The only information I can give you—and again it is not authoritative because I have not had the opportunity to investigate—results from discussing this particular matter with a Lieutenant-Commander in the Canadian Wrens on Saturday. We were discussing the differences between the Canadian and the British scheme, and she said that she is definitely taking the



British scheme—I believe she obtained her figures from the British Admiralty Technical Mission—she says she made a comparative estimate of the advantages of each and she is therefore taking the British scheme. I am not sure as to what the American allowance is but I believe it is somewhat higher. Perhaps costs are higher. I do not know, but there is that feature of the living away from home allowance which in great measure would answer the problem.

Mr. Woods: May I be permitted to supplement what the witness has said about the United States rates? The United States rates are \$65 a month for a single person and \$90 a month for a man and wife, but there is no provision for dependent children.

Mr. QUELCH: Have you got the British rates?

Mr. Woods: I have not got them before me.

The CHAIRMAN: We can get that information and lay it before the committee.

Mr. JUTRAS: Coming back to table A does the upper half contain figures of the Bureau of Statistics?

Mr. STARKEY: No, those figures in table A are our own figures found more or less accurately. Some surveys were quite adequately held. Others were not so adequately held. We do not maintain these are the most correct figures that can be had. I think that the figures of the Bureau of Statistics are now available and can be made available for your perusal.

Mr. JUTRAS: Then is it right to assume that the upper half represents the minimum cost of living and the lower half just about the actual cost?

Mr. STARKEY: That is correct, yes.

Mr. HERRIDGE: Personally I am very keen to see that none of these boys have to leave university because of inability to secure funds from any source to continue the course. Just for the sake of argument we will presume that the Legion's recommendation is granted. Even if that were granted on the basis of the figures submitted here there would still be some men who would not have sufficient funds. What is the attitude of the witnesses this morning to this question? A boy or girl in normal times might receive assistance from their parents if their parents were well able to put them through university, or possibly they might have funds of their own. Beyond a certain level what would be the attitude of the witnesses towards some form of means test so that no boy or girl would be denied an education provided they could prove that they were unable to obtain funds from any other source?

Mr. LIVINGSTONE: I should like to say on that question I feel that the average costs are so high at the present time that if you apply that means test, and particularly to married students, you are going to have to apply that means test to virtually every student. Therefore, I think that would justify an overall increase in the case of married students particularly. General Burns would perhaps have the figures, but I believe there are some 6,000 married students out of a total of 25,000. I am not sure as to that. I think it would be so general that an overall increase particularly in the case of married students would be necessary.

Mr. FULTON: I should like to ask this question. Most universities have a loan scheme of their own, or had before the war, whereby a student could apply for a loan. I think that at U.B.C. it was \$100 a session. Is that in operation? Have they made it widely available to veteran students? It was a loan and had to be repaid within so many years after leaving university.

Mr. STARKEY: No, it has not been made any more widely available than it was before this scheme came into operation. In the main there is not a great deal of publicity on this, and I cannot answer that question definitely. There is one aspect of a loan, however, and that is that it leaves a man with a certain burden after he has left the university or training school, and if there is any



kind of interest rate on the loan there is quite a substantial increase in many cases before a man can have the opportunity of paying it back. It certainly puts a veteran in a very poor position after he leaves although I do not say that students would reject such a plan. It would be a partial solution of the problem.

Mr. BENIDICKSON: Mr. Livingstone mentioned a living away from home allowance in Great Britain. Could he give some indication under what circumstances that might be applied in Canada? How would you define "living away from home"?

Mr. LIVINGSTONE: Again this is based purely on a conversation that I had. As I understand it any student who is not living at home receives an allowance over and above the basic allowance which was quoted to me at £126 per year. That is the basic allowance and then the living away from home allowance is in addition to that. I would not like to tie myself to those figures because they are conversational. I think we attack the Canadian problem and perhaps use these other things to influence us on the justification for it, but I think there is a very great difference between a student who is living at home and one who has got to pay board and room, and so forth.

Mr. BENIDICKSON: You suggest as a real possibility that an extra allowance should be made to those living away from home. I was wondering how you would define "home."

Mr. LIVINGSTONE: Living with his parents or guardians or something of that kind in a house where he does not have to pay board and room.

Mr. WINTERS: I wonder if a survey has been made by these witnesses to find out if there are jobs available on a part-time basis either at the colleges or in the cities or towns where the colleges are, and to what extent veterans are taking advantage of them to defray these expenses?

Mr. STARKEY: I can speak for McGill University. I mentioned the Univet enterprise before. That organization has very good connections in Montreal and they have been able to obtain a large amount of money for advertising. They have even gone to the extent of using billboards in Montreal advertising for part-time work for student veterans. During the course of the year they have been able to line up roughly 500 jobs for veterans, part-time work, which are in the main artificially produced jobs, that is, jobs such as washing windows, cleaning floors, and so on, jobs that people will create out of their benevolent feeling towards veterans. Numbers of veterans have inquired about these jobs, but up to the present time during the year there are roughly 120 veterans who have taken advantage of this scheme out of some 1,500 at McGill. This does not indicate that the veteran is unwilling to work or has not need for an increase in funds. It indicates that in the main student veterans who come back to university after a number of years absence find it necessary to devote practically their full time to their studies, and that they are not in a position to take part-time work. Engineering, for example, takes five full days of your time for lectures, labs, drawing, and so on, plus half a day on Saturday, plus a number of extra assignments and studying. The same goes for medicine and law, and all these specialized courses. Therefore although student veterans are willing to take these jobs, and will take the most menial jobs, even those who have tried to take jobs have found that they have to let them go in preference to spending their full time on their studies.

The CHAIRMAN: Were you going to say something?

Mr. R. P. DEWAR (University of British Columbia): I was going to point out in regard to part-time employment at U.B.C. we had a small bureau before, and we have greatly enlarged it this year for employment. We made a survey

of part-time employment possibilities and we found they were very scarce in Vancouver.

We did, however, place about, I think I would say, 150 people for part time work. But we found the situation to be as Mr. Starkey said. I wanted to give one specific example of a fellow who, as a matter of fact was very busy, one of our active members of the Legion. He worked during the whole year. He is married and has two children. He worked during the whole year as a night watchman but he said at the end of this year that it would be impossible for him to carry on next year with that work because it interfered so much with his studies. The results are not out yet, but he feels that he failed in at least two subjects and he blames it entirely on the fact that he had that part time job. But he required it because he required the money to live. But he felt he could not carry it on again, and that is very much the case.

In regard to other employment, the question was asked before to which I did not reply, as to the situation in Vancouver for summer employment; the problem is that there is practically no work in the city, and while a single veteran can leave the city and go elsewhere, that would not be practical for the married man. For example, I had 300 jobs in the Yukon, at Dawson City; but for the married veteran it would be absolutely impractical for him to leave the city and go out there because it would mean he would have to maintain himself while he was on the job during the summer and would have to maintain a home for his wife and family in Vancouver. That would mean that he would save absolutely nothing. So that the problem of employment is this. If he could get a job in the city it would not be too bad, but he cannot in Vancouver. He would have to leave the city. So the married veteran finds it very difficult to take a summer job.

Mr. LIVINGSTONE: May I say something with regard to that?

The CHAIRMAN: Yes.

Mr. LIVINGSTONE: I should like to say that again it comes back to the married student. You take a chap who is 27, 28 or 30, coming back, after having served his country for 6 years or possibly less, taking this university course. He wants to get through it and get out earning as quickly as he possibly can. Most universities across Canada offer an accelerated course; that is, they are offering a course in the spring and in the summer. If a chap takes time out during the summer to work, then it means he cannot take advantage of this extra course and therefore he will graduate a year or possibly two years later than he would if he took advantage of it. You can work out 4 out of 5 subjects,— which is virtually a year—at U.B.C. this year on that basis. Most chaps wish to do that. There are 700 chaps enrolled for the spring session alone at U.B.C. and there would be more if they were not forced to get out and make a stake during the summer. I say that is something that should be encouraged rather than otherwise.

Mr. BENEDICKSON: Is that U.B.C. summer course for veterans only?

Mr. LIVINGSTONE: No. The spring course was, but the summer course is for all.

The CHAIRMAN: Did you wish to say something?

Mr. L. C. GARON: Yes, Mr. Chairman.

The CHAIRMAN: You are from the University of Montreal?

Mr. GARON: Yes, representing l'Association des Veterans Etudiants de l'Universite de Montreal.

The CHAIRMAN: Do you live in Montreal?

Mr. GARON: Yes. I live in Montreal because I attend the University of Montreal.

Mr. Chairman and gentlemen, referring to what was said before, if I were asked to state what would happen this year, I would say that only one case out of 10 of those who worked at a spare time job could succeed this year. Some of the chaps did get sick before the end of the year and could not pass their exams, or missed too many lectures to take the exam, or something happened so that they could not do it.

I may say that I was on the financial committee of our conference in Montreal. We do appreciate what was done by the government and what the government is still doing. The figures have already been proposed but enquiry shows that the actual rate is not sufficient. Regarding recreation, I was on the board when we made that table and for recreation was included only what we had at the university to attend, like movies that we could attend twice a month on the payment of fees to some association which is now in the university. It was confirmed by the figures of the Bureau of Statistics that our figures already presented are quite accurate; but neither those figures on rates nor some others presented last week could cure the present troubles. I am speaking on the financial matter because the general spirit at that conference was that if the financial matter were satisfactorily dealt with, the present scheme—which I know that you gentlemen as well as all veterans want to be a complete success, and which we are grateful to the government for instituting—would be a success.

Referring to what Mr. Starkey and Mr. Dewar said later on, here in Montreal it was impossible to work part time on any of the courses, whether we wished to or not. We have teachers who have been very nice in helping us along with special courses; but as we have been away for quite a time, in getting back to our studies the need is to give our entire time to our studies.

The CHAIRMAN: Thank you.

Mr. BROOKS: There is one question I should like to ask. I notice that in McGill University for a single man the figure is \$123.95 and at the University of Montreal it is \$85.54, and those universities are in the same city. Why would there be such a vast difference between two universities in the same city for expenditures?

Mr. GARON: To tell you exactly, there are less student veterans here at Montreal university for one thing. The other item that gives us a bigger total there is that we had more married people. And one more thing, most of the chaps back at McGill had to look after their expenses themselves. Regarding Montreal, some of the chaps had help from their parents or had gratuities or war savings during the war that could help them to get along with their studies. I should add to that that I made an enquiry before we left last week and mostly all their gratuities and savings during the war are gone now. I would say that about two out of ten are figuring now that they will have to leave to go back to work next September or October.

Mr. BENIDICKSON: What were those differences?

Mr. BROOKS: \$123.95 for McGill, for single men; and \$85.54 for the University of Montreal; a difference of about \$38.

The CHAIRMAN: That is in both cases, it is for a single man, Mr. Brooks?

Mr. BROOKS: Yes; it is in this report here.

Mr. GARON: Here at the University of Montreal we do not have much spare time. We start our day at 8 a.m. and continue until 6.15 in the evening. In addition you have to review your courses and do your laboratory reports; so we have not got very much time and we have not got many activities at the University.

Mr. BROOKS: I do not think the University of Montreal needs to apologize. It was McGill University that said it cost so much.



Mr. GARON: When we thought that a chap was putting in a little too much in the way of expenses, we told him to cut it down. I think that McGill arrived at its figures through questionnaires which they mailed to the students and which were returned. That would be the only way they could handle the situation at McGill because there they have over 3,000 students, while at the University of Montreal we have only about 700.

The CHAIRMAN: How many student veterans did you say you had?

Mr. GARON: Right now we should have about 700.

Mr. STARKEY: I do not think I should put myself in a position where I have to apologize for McGill University veterans. We took this survey in a very sincere attitude. We handed out the questionnaires and got them back and we compiled the results. These surveys were not uniform across the country. We were not in contact with the University of Montreal. We held our survey and the University of Montreal held its survey. But if you want more accurate figures, I think it would be more correct to refer to Bureau of Statistics figures.

I would like to point out, however, that whether we like it or not, we must recognize that in the province of Quebec the standard of living for the French population, on the average, is somewhat lower than the standard of living for the English population, due to the fact that, in the main, throughout industry in Quebec, wages are a lot lower for the French-speaking population than for the English, and I believe they are a lot lower than the average for the country. That is a fact which is involved.

Mr. JUTRAS: Is it not true to say that the basic cost of living would be the same for McGill University as for the University of Montreal?

Mr. GARON: It would be; but in our inquiry, we found that from 20 to 30 per cent of the chaps attending the University of Montreal are living at home and they would contribute say from \$5 to \$10 at home; but at McGill University, they would have to rent rooms or apartments, and that might make quite a difference.

Mr. LIVINGSTONE: I do not want to make any negative statement on this cost of living matter but I can vouch that the University of British Columbia figures are absolutely correct, that they reflect the situation there and are conservative in all details. With the chairman's permission I would like to table the figures for the University of British Columbia. They are contained in a brief which was presented to the Bovey Commission. I think you might find these figures rather hard to understand in that they are an abstract rather than a survey; but they do show the figures from the University of British Columbia's point of view.

Mr. STARKEY: If the Bureau of Statistics has not already taken a survey at the University of Montreal, it should do so in order to have a uniform picture all across the country.

Mr. WOODS: What is charged by the university for the 700 or 800 students down at St. Johns? What is charged for single students and what is charged for married students?

Mr. STARKEY: They were receiving \$45 for single, and something like \$70 to \$75 for married. They were reduced to something like \$39 for single, and to something like \$65 for married, but I would not swear to those figures. They are relatively high, though, when you consider the total grant.

Mr. WOODS: What charge is made at McGill proper on the campus, for single students? They have no married veterans at McGill proper?

Mr. STARKEY: There is no provision made for veterans in the city.

Mr. WOODS: What do they charge for room and board?

Mr. STARKEY: McGill does not charge them anything because McGill has no responsibility for them. The only place they have is Douglas Hall, which charges about \$62.60 for a single room.

The CHAIRMAN: This brief presented by the Canadian Legion Branch of the University of British Columbia is dated 7th March, 1946. I have not had a chance to look it over. We do not want to get too much on the record that will not be read at all; but I think perhaps this might be of interest, so I will take the responsibility that we have it printed as an appendix.

(Brief from the Canadian Legion Branch of the University of British Columbia filed and marked as appendix "D".)

Mr. FULTON: I wonder if the veterans here could say: it occurred to me that one of the bases of their contention is that they are not able to take part-time employment while the term is on, and that comparatively few of them would be able to find employment during the summer months. It does not actually appear except for a very short paragraph in the brief. Would it be correct to say that that is really the basis of their contention for an increased grant? Were they able to find employment, part-time summer employment, would it solve the case?

Mr. LIVINGSTONE: I would say that in the case of a single student, possibly that is true; but I would like you to consider the situation with respect to a married student veteran. This is by no means an exceptional case but it is really the average. To begin with, he has to worry about finding housing accommodation. He has to worry about the very considerable deficit he is suffering. He has to worry, perhaps, about his wife falling ill. That has happened in at least six cases of my acquaintance, and in numerous other cases I have heard about. Then he has to worry about the matter of his wife having a baby, which has happened in many cases this year at the University of British Columbia. In addition, on top of that, is the fact that he is getting on in life and is having an awful job assimilating the course he is taking.

Now, if you take all these family and financial worries, and on top of that place the fact that he may be working perhaps four or five hours a day, he really has no time left for study; and if, after looking after all his family worries he does go ahead and take a job, he will surely have to sacrifice his academic position. I think that is the point which should be maintained here.

Personally, I have been living at home and that has been a great asset to me because I did not have to worry about financial matters. I am also single, so I do not have the additional worries I mentioned. But as in the case which was cited to you to-day, the man there had to move twice this year. That is the normal thing in Vancouver, so you will see that it is fundamentally a housing problem.

Mr. BROOKS: Would an increase in the grant make any difference in the housing situation? It seems to be a housing problem more than anything else?

Mr. LIVINGSTONE: To this extent, it would enable the married student veterans to compete on an equal basis with other people in obtaining scarce housing which exists in all university areas. But the housing problem, I do not think, will be met very shortly. Certainly, if I had the time, and if you gentlemen had the patience, I would like to give you the housing proposals; but I would not like to impose upon you to that extent. Apart from the national housing picture, the university student requires a very special type of housing. It needs to be adequate, but it need be only temporary, and therefore it may be cheap, prefabricated or Nissen houses such as they have used in the United States. But aside from the housing picture, I do think there is a definite increase now in the case of married students, aside from housing.

Mr. GARON: All of those jobs were filled in collaboration with Selective Service in Montreal, in response to inquiries to obtain employment for the boys during the holidays. The jobs offered numbered around 50, and the



average pay was between \$95 to \$125 per month. That means that the chap has to pay his own expenses; and at that figure we thought that a chap could not put much money aside during his holidays or buy even a new suit when his other suit became worn out in academic use.

Some of the chaps who took those jobs have been out to work for a week, but they have found the job to be either too hard or to laborious in view of the fact that their health is not in such good condition after giving all their strength during the year to their studies and having to work until 2 a.m. sometimes, studying for examinations. In fact, I have received letters from chaps asking if they could not have another job; so I would think that the jobs which had been offered by Selective Service during the summer-time are not appropriate.

Mr. EMMERSON: Are there any figures available for married students at the university as compared to single students?

General BURNS: It is practically 25 per cent at the present time.

The CHAIRMAN: We have just a few figures.

Mr. STARKEY: I would like to make a few remarks, a general statement about employment and housing. The solution to these problems will certainly have a great effect on the problems of the student veteran. The student veteran is not only concerned with getting a job where he can maintain himself or save any money; but engineering students require special types of work during the summer, work which will give them the necessary type of experience which is required for a degree. Then there is the question of medical students. Most of them prefer to take jobs which will give them a certain amount of experience in their chosen field; but without exception the remuneration for those jobs is so low, \$25 to \$40 a month, that those who have to work in order to maintain themselves, are not in a position to take such jobs. Certainly something should be done about that, because it is not only a question of maintenance, but also a question of adequate training.

Now, in connection with another point, that of War Assets, we have made recommendations on this question and have received a reply which is considered impracticable for anything to be done about it. The Canadian Legion at its last convention made a recommendation on this question. I would say if it is impossible to deal with veterans individually, then at least some machinery should be set up whereby educational institutions could deal with War Assets and get priority for obtaining necessary equipment, and for having the lowest possible price charged for such equipment. In Montreal we have been approached by veteran students, as one particular aspect of this problem, who, after three or four years training had to purchase about \$600 worth of dental equipment, such as dental motors and so on, which equipment is not, they claim, in any fit condition to be used in their profession after they have left the university; and it is also known to them that War Assets hold large numbers of this dental equipment which was used in the armed services during the war, and which is either new or practically new, which War Assets cannot release because of some contract which they made with the people who supplied them in the first place, that they would not put it on the market in competition with the normal commercial articles. But this equipment would not be in competition. New equipment is limited at the present time and their old equipment worn out during the college year; so I recommend that War Assets equipment should be made available to dental students. Similar application could be made to the whole problem in the terms of engineers, the universities needing new machines for machine shops, and so on. And all these materials are very difficult to obtain through War Assets. A great deal of negotiation has taken place and in the end nothing very concrete has transpired.

The CHAIRMAN: In that regard the provinces have a priority over either individuals or corporations; and, education being a provincial matter, if



anything can be done along that line, I do not see why the provinces should not use their priority and take over these instruments and equipment and then allocate them amongst educational institutions in their provinces.

Mr. GREEN: But McGill is not a provincial university.

The CHAIRMAN: There is no reason why the provinces should not exercise priorities and allocate the stuff where it is needed. The institutions might make a representation to the provinces.

Mr. WRIGHT: I understand they have attempted to do that but they have run into difficulties too.

The CHAIRMAN: Would you like to make any further representations?

Mr. STARKEY: I would just like to make this final remark. First of all, I would suggest that if possible this committee put the whole question on the agenda again and reconsider it in the light of the experience we have had over the last year. We ourselves put this brief over in January when we were through the first half year. With a large number of veterans attending university and with a full operating year completed, we will be in a position then to see how the whole thing is working out. We will have the experience of summer employment, of veterans attending the university for the whole term, and so on. I respectfully suggest that the whole question merits re-opening and re-discussion in the light of our experience of a longer period of operation.

Mr. GREEN: If I remember correctly we recommended an increase last fall, did we not?

The CHAIRMAN: Quite right.

Mr. HERRIDGE: I am sure that the committee have listened with deepest interest to the representations made by these witnesses. In the meantime, I understand that there are two witnesses who hitch-hiked from British Columbia to the east. I would like to move that this committee arrange to have the expenses of these witnesses paid back to British Columbia.

Mr. FULTON: I would second that motion, Mr. Chairman.

Mr. LIVINGSTONE: I thank you very much, Mr. Herridge, for that gesture. We have a certain amount of pride in the matter. I think, perhaps, we would prefer to get back on our own, sir. Speaking for myself at least, I thank you very, very sincerely, and thank the committee for approving of the idea, but I would like to get back on my own, and I think perhaps Mr. Dewar feels the same way—I don't know.

The CHAIRMAN: With regard to this matter of witnesses, gentlemen, I have a great deal of sympathy for the motion but our steering committee recommended that in future we pay only two witnesses in regard to the presentation of any one brief; because you will recall that once we had a delegation of ten or eleven. In this particular case I think what I would suggest is that you leave this matter to the steering committee. Whatever they recommend I am prepared as chairman to carry out. Before you pass any motion on the matter I would like the steering committee to have a chance to consider it. Is that satisfactory to the committee?

Mr. HERRIDGE: I would so move.

The CHAIRMAN: The deputy minister had a short statement with regard to the facts in this matter, but in view of the lateness of the hour it might be a good thing for us to ask him to be prepared to make a statement about when we meet tomorrow, perhaps as the first order of business. That would give him more time in which to prepare his statement. Would that be satisfactory?

Mr. WOODS: It is for the committee to say, Mr. Chairman. We could submit the statement tomorrow or whenever you deal with this matter again.

The CHAIRMAN: I think it would be better to have the whole matter relating to this question put in at the one time, as far as possible.

Mr. GREEN: Will the witnesses be here tomorrow?

The CHAIRMAN: I suppose they can be here tomorrow, and then we can probably get through with this in a half an hour or an hour at the outside. You could be here tomorrow could you?

Mr. STARKEY: It can be arranged, sir.

Mr. GREEN: Let the deputy minister make his statement the first thing in the morning.

The CHAIRMAN: I think that is the best way. Gentlemen, we will meet in room 497 tomorrow morning. We cannot have this room tomorrow or Thursday. A pamphlet has been prepared by our department on the employment of Canada's disabled, part I "Basic Considerations". That will be sent by mail to the members of the committee. We will adjourn until tomorrow morning in room 497 at 11 o'clock.

The committee adjourned at 1.05 p.m. to meet again on Tuesday, May 28, 1946, at 11 o'clock a.m.





## APPENDIX "A"

### THE PULHEMS SYSTEM

The Pulhems system is based on seven important factors descriptive of a soldier's mental and physical abilities: Physique, Upper Extremities, Lower Extremities, Hearing, Eyesight, Mentality and Stability. Spellout the initials and you get the word Pulhems. Each one of the factors is broken into five grades except M which has four and S which has only three. Each grade indicates a lesser degree of fitness or ability.

When you put a soldier's seven grades together and write them one after another—always in the order in which Pulhems is spelled—they form what is known as a profile.

For example, a soldier has a profile 2133111. In grading for P (Physique) the Medical Officer takes into account age, build, strength and stamina. The man with a P2 is "Fit for heavy manual work, including digging, lifting, climbing, etc., but unable to endure extreme degrees of severe and prolonged strain". U is based on strength, range of movement and general efficiency of upper arm, shoulder girdle and neck. U1 means the man is "Fit to lift strongly to and above shoulder level; use rifle and bayonet; throw grenades; dig, push or drive strongly; drive heavy vehicles; fit for hand to hand fighting under all conditions."

L (Lower Extremities) depends on strength, range of movement and efficiency of feet, legs, pelvis girdle and lower back. This man has L3 which means he is "Fit to walk 5 miles, if necessary, or farther in an emergency". If the soldier had been L1 he would have been "Fit to march, under any condition with full kit. Able to stand, run, climb, jump or dig with sustained effort". It will be noted that we do not know why limitations have been placed on the L3 man; he may have fallen arches or other foot defects. But we do know what he can be expected to do.

H (Hearing) grades are based on auditory acuity and organic disability. Thus the man with H3 has the "ability to hear sufficiently well to perform any duty where moderate impairment of hearing or moderate organic disability does not disqualify". E1 showing the man's eyesight shows that he has the "ability to see sufficiently well, with glasses if needed, to serve in any capacity".

#### *M FACTOR*

M (Mental capacity) is based on the ability to learn under army conditions. M1 means that the man has the "ability under army conditions to perform successfully full combatant duties including those required of tradesmen or specialists." An M4 has only the ability to learn simple duties. It is true that many men rate low in this because they are not all endowed with the same native ability. But men may also be unable to learn certain duties because of poor knowledge of English or French, defective schooling or other similar causes.

#### *S FACTOR*

Stability is a difficult word to define. Emotional Fitness is easier to understand and tells more clearly what the Army means by S. Since emotions like fear and anger are very natural and useful feelings, Emotional Fitness merely means the ability to control emotions so they do not get the upper hand and become harmful.

Some of us are emotionally fit for one thing and not for another. There are men who respond favourably in positions of responsibility while others in similar positions worry and fret under pressure to such an extent they cannot function. Others, accustomed to responsibility are upset when assigned to tasks which to them are insignificant. Some men, used to working out of doors are stifled and jarred working in office or factory and never adjust to the new conditions. Some men who are emotionally out of tune in civilian life find army life ideal, while others are quite well geared to civilian life but emotionally lopsided in the Army. We are all what we are, creatures of training, memories, experience, blood, bone, nerves and imagination over which we have only a limited control.

S in the Army only indicates how well soldiers adjust to Army life and work and how they control their emotions under those surprising, exciting, tedious, boring, frightening and distressing conditions which make Army life so utterly different from civilian life. There are many reasons why soldiers find it difficult to get used to the Army.

A very common cause is pure homesickness. This can make men so anxious and miserable that they can not go on, in spite of themselves.

The Army knows what a strain on any soldier's nerves is the noise, danger boredom, excitement and horror of battle itself. It knows that all men are as different in their nerves, minds, outlook and imagination as they are in their height, weight, strength and abilities. Therefore the S grades are designed to indicate a soldier's "load capacity"—the amount and kind of Army work and life he can stand without breaking. They indicate those Army conditions in which a soldier will last longest and prove most useful.

### COMMITTEE ON STANDARDS

The Committee on Standards has established a minimum Pulhems profile for each army job. The minimum profile varies according to the job; that for a cook differs from that for a driver. The minimum profile varies for such employment in operational area, lines of communication, etc.

For example the profile for a Driver RCASC at base is 3333324. This means the man is (P3). Fit for all ordinary general duties involving moderate exertion and where opportunity exists for reasonable regularity of meals and rest. (U3) Fit for moderately heavy lifting and loading; driving light vehicles; able to handle a rifle or machine gun in an emergency. (L3) Able to walk 5 miles, if necessary, or farther in an emergency; able to stand for moderate but not prolonged periods. (H3) Able to hear sufficiently well to perform any duty where moderate impairment of hearing or moderate organic disability does not disqualify. (E3) Able to see sufficiently well with right eye with glasses to perform duties not involving undue risk to that eye; able to perform duties where moderate organic disabilities do not disqualify; dependent on glasses. (M2) Ability under army conditions to learn to perform successfully combatant duties required of non-tradesman and certain tradesmen and specialists, whose proficiency is acquired by experience or reliability slow learning on the job. (S4) Emotionally fit to perform specific army duties adequately under working and living conditions favourable to the individual.

Any grading of 5 means that a soldier is unfit for army duties. Fitness for civilian and army employment is a different thing. The soldier with S5 lacks the emotional fitness for army life. That is all it means. It says nothing about his fitness for civilian life. Similarly L5 means that the soldier lacks the ability to walk and stand required in any army post. It says nothing about his ability to walk or stand as required in civilian posts. Any application of army Pulhems to a civilian situation may be misleading.

## APPENDIX "B"

BRIEF TO THE DOMINION GOVERNMENT SUBMITTED BY THE  
NATIONAL CONFERENCE OF STUDENT VETERANS

The following brief is a detailed compilation of the resolutions addressed to the Federal Government by the First National Conference of Student Veterans which was held in Montreal on December 27, 28, and 29, 1945. The panel briefs concern the three main topics discussed at the Conference: namely, financial problems, the housing situation, and the extension of educational facilities.

In all, twenty-nine educational institutions, of which twenty-six were universities and three were vocational training schools were represented by sixty-three delegates at the Conference. The Conference, therefore, was representative of the fifteen thousand veterans attending universities throughout Canada. Also, because of the similarity of their problems, it was to a very large extent representative of the seventeen thousand veterans taking vocational training of all types.

The following is a list of the educational institutions represented at the Conference:—

*Universities*

University of British Columbia,  
University of Alberta,  
University of Saskatchewan,  
University of Manitoba,  
University of Western Ontario,  
McMaster University,  
University of Toronto,  
Queen's University,  
Ottawa University,  
University of Montreal,  
Loyola College,  
Bishop's College,  
Carleton College,  
St. Patrick's College,  
Laval University,  
Macdonald College,  
Sir George William's College,  
University of New Brunswick,  
Mount Allison University,  
St. Joseph's College,  
University of St. Francois Xavier,  
St. Dunstan's College,  
Dalhousie University,  
Acadia University,  
Ontario Training and Rehabilitation Institute (Toronto)—Vocational  
Section,  
McGill University.

*Vocational Training Schools*

Ontario Training and Rehabilitation Institute (Toronto)—Vocational  
Training Section  
Nova Scotia Tech.,  
Nova Scotia Agricultural College.



## PROPOSALS EMBODIED IN BRIEF

I. *General Resolutions*

1. Full employment.
2. Employment for student veterans.

II. *Proposals on Housing*

1. Emergency Measures:
  - (a) Use of Government-owned buildings.
  - (b) Expansion of wartime housing.
  - (c) Student Co-operatives.
  - (d) Control of board rates and room rentals.
2. Long term Measures:
  - (a) Reduction of rentals.
  - (b) Government low rental building program.

III. *Proposals on Financial Matters*

1. Increase of maintenance grants.
2. Provision for variation in cost of living.
3. Loan fund for equipment.
4. Reduction in cost of books.
5. Train fare reductions for vocational training students.
6. Pension earnings.
7. Table "A"—Costs of Maintenance.

IV. *Proposals on Education*

1. Provision of adequate facilities.
2. Academic standing of veterans.
3. Veterans' time credits.
4. Commencement of training.
5. Post-graduate studies.
6. DVA liaison officers.
7. Resumption of training after failure.
8. Professional fees.
9. Priority purchase of tools from W.A.C.
10. Lengthening of trades courses.

## I. GENERAL RESOLUTIONS

1. *FULL EMPLOYMENT*

WHEREAS Canada's rehabilitation program can only reach ultimate success if a condition of full employment can be maintained in peacetime, and

WHEREAS we feel that the whole training scheme for veterans will ultimately fail if jobs are not available upon completion of their training,

THEREFORE we call upon the Federal Government to recognize full employment for all citizens as the cornerstone of its rehabilitation program. We urge that the Government carry through a public works program, subsidize industries, and undertake any other measures which are necessary to maintain full employment.

2. *EMPLOYMENT FOR STUDENT VETERANS*

WHEREAS the Government has made it clear that the success of the educational features of the rehabilitation plan depends largely upon the student veteran obtaining selfsustaining employment during the various vacations, and

WHEREAS the student veterans themselves are anxious to earn as much as possible in order to achieve their aim of completing their education, and

WHEREAS in many cases married men may be required to live away from their families in order to obtain this employment, thus having to still further deplete their savings in order to maintain himself in one establishment, and his family in another,  
Therefore be it resolved that:

- (1) a survey be made in conjunction with the Dominion and Provincial Governments to determine the extent to which suitable employment can be made available to said student veterans.
- (2) That this survey should include an attempt to determine what employment will be available for married men.

## II. PROPOSALS ON HOUSING

### FINDINGS

Facts presented by student veterans from educational centres across Canada prove that housing is a national problem with local variations, and includes problems peculiar to single and married student veterans.

The problem is one, in all cases, of finding accommodation in proximity to the educational institution, at low rentals, with board at a reasonable price, and in surroundings conducive to study.

The lack of suitable low-cost housing is forcing an increasing number of student veterans to doubt seriously whether they will be able to continue their studies, for the following reasons:

- (1) The detrimental affect on student veterans' peace of mind and on studies due to the constant hunting for more suitable accommodation.
- (2) The separation, in many cases, of married student veterans from their families because of the lack of suitable accommodation.
- (3) The necessity, because of the high cost of living in almost all educational centres, to supplement present benefits by the use of gratuities, Victory Bonds, and personal savings, to such an extent that these will in many cases be used up before the student graduates.

It is obvious from the foregoing that unless the housing problem is solved for the student veteran, the rehabilitation program will not achieve its original goal. Canada, along with the individual veteran, stands to suffer thereby.

However, it is recognized that the housing problem cannot be solved completely by regarding the student veterans' problem as an isolated one, but can be solved only by the low-cost building throughout Canada of houses to be offered at low rentals to all citizens, and by such housing program being initiated by the Federal Government immediately.

Therefore, the housing panel makes recommendations under two main headings:—

1. Immediate Emergency Measures.
2. Long Term Policy.

### RECOMMENDATIONS

#### 1. IMMEDIATE EMERGENCY MEASURES

- (a) Whereas, within many educational centres, there is now an urgent need for more, and for more economical housing for student veterans, and  
Whereas, this situation will become more acute within the next year,

Therefore, be it resolved, that this Conference strongly urge, through the Department of Veterans Affairs, that the Federal Government at once comply with the requests of universities and vocational training schools for the renovation and use of government owned buildings for the living accommodation of both married and unmarried student veterans.

Further, that, where such buildings are now located at too great a distance from the educational institution, those which are moveable, be relocated and renovated within the campus area, or in the case of suitable buildings which cannot be moved, that the educational institutions be provided with government owned vehicles, where needed, for student transportation.

Further, when such buildings are ready for occupancy it is recommended that educational institution authorities and the student organizations concerned work out co-operative plans, appropriate to localized needs, that will enable the student veterans to be housed therein in the most economical manner possible.

- (b) Whereas the Wartime Housing Board is a government emergency agency, and

Whereas its work thus far has somewhat relieved the housing problem, and

Whereas it has a semi-permanent set-up and can be expanded easily,

Therefore, be it resolved that this Conference, recommend to the Federal Government that it expand the Wartime Housing program by specifying a much larger quota, and allocating more materials and labour immediately.

- (c) Whereas it has been found that shelter accommodation is very scarce in all educational centres,

Therefore, be it resolved that the student veterans on each campus be encouraged by this Conference to establish (where none exists) a housing registry to list accommodation for student veterans under three headings:—

- (1) Single
- (2) Married without children.
- (3) Married with children.

Further, that this registry co-operate with the local emergency Shelter Registry and by publicity get leads on all available accommodation in proximity to the educational institution, and at a reasonable rate.

- (d) Whereas student veterans' co-operative houses have proven one solution to the housing problem for single veterans,

Therefore, be it resolved that student veterans' co-operative houses be set up where possible, with the assistance of the Department of Veterans Affairs to obtain such houses and the assistance of educational institution authorities to organize them.

- (e) That this Conference forward a proposal to the Federal Government urging that the present rental control policy be made effective in respect to board-rates and room rentals.

## 2. LONG TERM POLICY

- (a) Whereas it is agreed that high rentals are part of the housing problem,

Therefore, be it resolved that this Conference forward a proposal to the Federal Government urging that the present rental control



policy be revised with a view to reducing rentals to come within reach of the income of low wage earners.

- (b) Whereas we recognize the housing problem is not only one of lack of houses, but also of lack of housing at low rentals; and

Whereas there is very little low-rental building taking place; and

Whereas we feel that a solution to the housing problem cannot be effective without such low-rental building of houses, and

Whereas any increase in the number of low-rental houses will be a further means to the solution of the problem of housing for veterans, as whole,

Therefore, be it resolved that this Conference call upon the Federal Government to undertake immediately a long term program of building low rental permanent houses, as a solution to the present very urgent housing problem.

### III. PROPOSALS ON FINANCIAL MATTERS

#### PREAMBLE

In examining the structure of the Canadian Government's rehabilitation program, the Conference agreed that the program is amongst the best proposed by any country in the world and we highly commend its scope and vision. We realize that the terms of this program were drawn up by men of good-will who were seriously concerned with the rehabilitation of ex-servicemen.

The fact remains, however, that despit the very real merits of the rehabilitation scheme, *the present grants are inadequate to meet present-day conditions.*

The conclusions we have reached, regarding this key financial question, were considered within the wider framework of our economic and social background. Recommendations for improvement in the legislation were made to ensure that full value will be received by the country as a whole from the Government's present investment in Canada's veterans.

#### RECOMMENDATIONS

In order to ensure the success of the legislation, we submit the following:

1. We feel that the maintenance grant should be regarded by the Government as a means of ensuring the carrying through of the rehabilitation program. The Government supported us during service (and did not merely assist us) and therefore should underwrite our rehabilitation as they underwrote the war effort.
2. Specifically, we recommend that the Government of Canada underwrite the education of veterans in that allowances be increased as follows:

\$20.00 per month for single veterans.

\$40.00 per month for married veterans.

and that this apply equally to university students and those receiving Vocational Training.

#### Reasons:

- (a) Sample surveys taken amongst student veterans indicated that approximately one-third of student veterans now enrolled will be unable to complete their courses on present income.
- (b) If present conditions of unemployment persist, many students will be unable to earn sufficient during the summer months to return to university in the fall.
- (c) On the present scale of grants, many students will be unable to take accelerated courses. Any undue delay in bringing the student, at this stage of life, to graduation and normal employment, is an unhealthy condition.

- (d) The present low scale of living is not temporary, but must be endured for years. The married veteran already is showing a disposition to leave university rather than inflict hardship on his family. Unmarried veterans are discouraged from marrying. The long-term social effects, involving an estimated 20 thousand to 30 thousand men and women, plus their families, deserve great consideration.
  - (e) Increased grants are urged, not as a reward—for the reward is already generous—but on grounds that the "National Education Scheme" is an ideal which ought to be achieved, and can be achieved by a relatively small additional expenditure. In this connection it is pointed out that the proposed increases in grants will bring the figures up to those in the vicinity of a private's pay and allowances; which amounts to \$83.60 for a single serviceman and \$118.60 for a married serviceman. In addition a serviceman has his clothing and other necessities provided by the Forces.
3. In order to support the foregoing recommendation, figures on the cost of maintenance of student veterans, as gleaned from Briefs submitted by delegates, have been itemized in the present survey and are submitted in Table "A" as an indication of the basic cost of maintenance to student veterans.
4. Under the basic cost of living we have included the following items:—
- (a) Board and Room
  - (b) Laundry
  - (c) Transportation
  - (d) Insurance
  - (e) Recreation
  - (f) Clothing
  - (g) Books
  - (h) Personal Expenses.

TABLE "A"  
COSTS OF MAINTENANCE AS GLEANED FROM BRIEFS SUBMITTED

Educational Institution	McGill	OTRI.	Mc-Master	U.B.C.	Sask.	Man.	Alta.	Queen's	Loyola	Dalhousie	N.S. Tech.	Univ. de Mont.	St. F.X.	Sir Geo. Wms.	St. Josephs	St. Patricks	Univ. of N.B.
*BASIC COSTS OF LIVING:	\$	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$	\$		\$	\$	\$
Single.....	102.63	84.15	78.12	78.30	78.41	74.73		72.00	78.00		78.00	81.54					
Married.....	130.00	116.50	122.49	119.39	123.82	118.38		117.00	124.14		132.90	136.80					
Married with children (and \$5 per child).	141.33	139.95	124.80	132.70	119.30	129.55		148.00				146.84		NOT BROKEN DOWN	115.25		
RESULT OF SURVEY (including all items)	123.95	95.65		78.30	78.00	78.41	85.16	72.00	77.05	78.00	78.00	85.54		75.00	70.00	83.00	86.75
Single.....	152.58	134.00		119.39	123.89	123.85	131.38	117.00	123.50	123.50	132.90	139.60	120.00	110.00	128.75	117.00	121.97
Married.....	159.97	147.14		142.72	130.21	145.90	155.00	148.00	137.00	138.00		149.64					122.15
Married with children																	

\*Includes the following items: (a) Room and Board  
(b) Laundry  
(c) Transportation  
(d) Insurance

(e) Recreation  
(f) Clothing  
(g) Books  
(h) Personal Expenses



## RECOMMENDATIONS

5. The Conference felt a definite need of some loan scheme whereby a student-veteran might obtain funds to purchase technical equipment which will be used during and beyond the conclusion of his academic career in the practice of his profession. In view of this fact we recommend that a loan fund should be set up from which students can borrow at a low rate of interest, to make necessary purchases of equipment.

6. It is strongly recommended to D.V.A. that regional needs and exceptional cases be studied, and regional increases, in addition to the basic increases recommended above, in form of cost of living bonuses be made where necessary to particular college or centre, and that to assist in this, committees be set up in each college or region with the following membership:

D.V.A. regional director.

Principal of University

Member of Student Veterans' Society, or

representative of student veterans,

and that these committees take action in this matter where needed.

7. We further recommend that particular attention be given by D.V.A. to the reduction in the cost of books.

8. Further, we recommend that it be brought to the notice of D.V.A. that technical training students should be included in special rates of  $1\frac{1}{2}$  fare as they exist at present for university students travelling from their homes to University at opening and closing of session.

9. In the case of student veterans who are receiving pensions, it is submitted that any veteran is morally entitled to any pension he or she has earned. In the past, earnings of a veteran have not affected his pension, and we feel that the student veteran should not be made an exception in this case. We therefore recommend that no deductions be made from maintenance grant where the student veteran is receiving a pension.

10. Further we recommend the approval of the cost of living questionnaire Form "A" as submitted by D.V.A. in order to arrive at the cost of living for University students and students undergoing vocational training. Copies of this questionnaire can be made available.

## IV. PROPOSALS ON EDUCATION

The following changes in the regulations governing the educational standards required of student veterans were recommended by the Conference:—

1. We urge the Federal Government to provide, with all dispatch, adequate facilities for the training of student veterans in universities, trade and technical schools.

2. That in all cases D.V.A. give great weight to the recommendation of the school or university concerned as to whether or not a student veteran be allowed to continue his course, so that a student veteran will not be placed in a more disadvantageous position than a non-veteran student. The feeling of the Conference was that in matters concerning academic standing and the quality of training the standards should be the same for all students, whether veteran or non-veteran.

3. That when a student veteran's time credits have lapsed, an average mark of 65 per cent (or a standing among the first 50 per cent of the class, where the average mark of the class is below 65 per cent) be the sole condition in determining whether the student veteran shall continue to carry on with his studies under the Rehabilitation training plan.

4. That the time allowed for veterans to apply for all types of rehabilitation training be extended to 36 months.

5. That upon the recommendation of the university concerned, a graduate student veteran be allowed to complete post graduate studies at whatever institution is suggested by the university, and elected by the student.

6. That where practical, the Dept. of Veterans Affairs appoint representatives with offices in the educational institutions to act as liaison officers between the D.V.A. and the student veterans.

7. That a student veteran who is qualified under the act and who fails the first year and subsequently successfully repeats that year at his own expense, be reinstated by D.V.A. and allowed to continue his course under the rehabilitation training plan.

8. That a graduate student veteran should not be required to pay an additional fee in order to practise his profession in any province, provided that he passes the necessary professional examinations of the province concerned.

9. That veterans taking vocational training be permitted to purchase instruments or tools for their trades or professions direct from War Assets Corporation on a Veteran priority basis.

10. That courses for all trades in vocational schools be extended, where applicable, from six months to at least one year, in order to enable students to acquire a high degree of skill.

---

At the Conference, Gen. Burns, representing the D.V.A., put forward the following questions which he suggested should be answered by the Conference as it would be helpful in solving some of the problems facing the Department in dealing with the rehabilitation of student veterans:—

1. Opinion on differential in maintenance grants.
2. Items to be included in questionnaire—recoverable from the public purse.
3. Preferential treatment for student veterans on accelerated courses.
4. Student co-operatives—what more can be done.

These questions were all discussed at the Conference. Nos. 1 and 2 are answered in the Section of the Brief dealing with Proposals on Financial Matters, and No. 4 is covered in the Section dealing with Housing Proposals. Question 3 was not specifically answered because it was the general feeling that the question of maintenance grants for student veterans taking accelerated courses was not essentially different from the main question of adequate grants for all student veterans.

## APPENDIX "C"

This brief is presented by the University of British Columbia, Branch 72 of the Canadian Legion, B.E.S.L., comprised of 1,700 members, representing ex-service students attending University at Vancouver, B.C.

*Recommendations:*

That grants to ex-service students taking university or vocational training be increased:

- (a) for single students from \$60 to \$80 per month
- (b) for married students from \$80 to \$120 per month

*Introduction:*

Wide publicity has been given to the government's educational rehabilitation program in press and radio, emphasizing the positive and favourable aspects of the scheme. The government is to be commended for the legislation which has been passed—of which some thirty thousand men and women have already taken advantage. It would seem, therefore, that the government has discharged the country's obligation to that number of her fighting men, and has made at the same time a substantial investment in Canada's future.

However, we propose in this brief:—

1. To submit evidence that under present arrangements many competent and deserving student veterans may be compelled to discontinue their courses.
2. To urge revision of the legislation on the basis of the above recommendations. Unless this amendment is enacted, we are convinced that the main purpose of the present legislation will be defeated, resulting in a tragedy that would be both personal and public in its implications.

*What are the facts?*

Last December we conducted a cost-of-living survey (see Appendix A) which showed an average monthly deficit of \$18.11 for single and \$39.39 for married student veterans. Figures revealed that 34 per cent of the former and 36 per cent of the latter felt they would be unable to complete their courses on present grants. At the National Conference of Student Veterans held in the same month, eastern universities reported much higher living costs. In considering the adequacy of the present grants several factors should be borne in mind.

1. The acute housing shortage results in much higher rental and transportation costs for veterans attending university than was originally anticipated.
2. The cost of living has been rising and is rising sharply, so that the living standard of students receiving grants is decreasing.
3. Students are required to purchase their own books and equipment, which amounts to, on an average of at least \$50 per session.

Up until now few veterans have been compelled to leave university because of their economic circumstances, having been able to draw on their gratuities or savings as a reserve. However, for many students that reserve has already been exhausted, for many more it is running out; undoubtedly, the great majority will face serious difficulties long before graduation.



Students receiving benefits are allowed to earn up to \$75 per month in addition to grants. But even if part-time employment were available for all student veterans (about which there are considerable grounds for doubt), the majority cannot find jobs that will fit in with their timetables, or that would not seriously affect their studies or impair their health, or both. A substantial number of students are pensioners who are not physically capable of doing work in addition to their studies, or of finding work that they can do. Since an amount proportioned to their pensions is deducted from their grants, in effect they represent the most hard-hit section under the present inadequate scale of grants. That those who sacrificed most are placed in the least favorable position, merits the most serious reconsideration.

#### *Effects of inadequate assistance:*

If increases are not forthcoming the following conclusions can be made with certainty:—

1. A large number of students will be unable to complete their courses.
2. Many students will be unable to take accelerated courses. It must be obvious that many of them have reached an age or situation where it is imperative to finish their courses as soon as possible. This applies with greatest force to married students.
3. The long term social effects, involving an estimated thirty thousand men, women and their families, deserve attention. The present indications are that these people are faced with substandard living conditions such that their family relations will be strained and their health impaired.

Dr. Norman MacKenzie, President of the U.B.C. (who speaks with authority on problems of student-veterans), speaking to veterans beginning the spring session on May 7th declared that under present conditions many students faced the prospect of "broken homes" or "broken careers".

The minister for Veterans Affairs, Hon. Ian Mackenzie, in a letter to the President of the Student Veterans' Conference, stated in reference to the survey conducted by the Dominion Bureau of Statistics; "Preliminary examination supports the contention that married veterans not living with relatives or in special low cost housing projects, or whose wives are not working, are subject to such expenses that it is doubtful they will be able to complete their courses."

#### *Attitude of the Department of Veterans Affairs:*

The Hon. Ian Mackenzie in an interim reply to the brief submitted by the Student Veterans Conference, while not flatly rejecting the proposed increases, nevertheless suggested that they were out of the question.

The last sentence of the Minister's reply provides a key to the attitude of the Department, and shows clearly why the present action had to be undertaken by our organization. He said, "The Department of Veteran Affairs will if necessary, endeavour to modify present regulations so that no veteran, whose abilities warrant it, will have to forgo university education because of his economic circumstances."

#### *Attitude of the Student-Veterans:*

We are of the opinion that the above statement substitutes a vague and unsatisfactory promise for necessary legislation. We draw attention to the words "if necessary" a rather surprising expression to be used by the Minister in view of the facts already recognized and admitted by him as quoted elsewhere in this brief.

Veteran students have established a reputation for serious study and industriousness, and more than that are making strenuous efforts to assist

themselves financially. However, the limitations to self-assistance have been outlined above.

We are convinced that you will agree that these men and women who can contribute so much in the spheres of science, business, and culture should be considered as human capital, which the government should not endanger by means of a "penny-wise, pounds-foolish" policy. We, therefore, urge that you assist us in gaining that degree of public support which will convince the Department of Veterans Affairs and the Government that amendments to the educational rehabilitation program are necessary now, and that our proposals be implemented without undue delay.

## APPENDIX B—RESOLUTION PASSED BY PROVINCIAL CONVENTION, CANADIAN LEGION, MARCH, 1946

### APPENDIX A—RESULTS OF SURVEY BY BRANCH 72

#### APPENDIX A

1. Shown below are average costs of living of various categories of student veterans at U.B.C. as of December 20, 1945. The results are on the basis of the first 500 replies to questionnaires mailed to 2,300 veterans at U.B.C., December, 1945, since when the cost of living has risen to a new high.

2. The students questioned were cautioned to be as conservative in their estimates and the results were tabulated as accurately as possible.

3. The survey was categorized as follows:—

- Group A Single without dependents based on 344 replies
- Group A1 Single with dependents based on 18 replies
- Group B Married with no children based on 87 replies
- Group C Married with one child based on 32 replies
- Group D Married with two or more children based on 16 replies
- Group E Miscellaneous including pensioners based on 9 replies

<i>Cost of Living</i>		<i>DVA Grant</i>
Group A	\$78.30	\$60.00
A1	\$94.50	\$75.00 one dependent
B	\$119.39	\$80.00
C	\$128.11	\$92.00
D	\$142.72	\$104.00—3 children, \$114.00, varying as
E	\$101.80	to disability but proportionately inadequate

These totals were arrived at through an exhaustive and systematic survey of the cost of living of the veterans questioned. A complete breakdown as to various items and the number of students in each category is available.

#### APPENDIX B

Whereas sample surveys have indicated that approximately one-third of student veterans now enrolled will be unable to complete their courses on present incomes,

And whereas if present employment conditions continue, many students will be unable to earn sufficient during the summer months to return to university in the fall,

And whereas many students will be unable to take accelerated courses under the present scale of grants,

And whereas the present low scale of living is not temporary but must be endured for years, thus inflicting undue hardships on student veterans,

And whereas increased grants would mean the difference between success and failure of the educational rehabilitation program,

Therefore be it resolved that this convention recommend that education allowances be increased as follows:—

- (1) \$20.00 per month for single veterans
- (2) \$40.00 per month for married veterans

which will bring the grants to approximately the level of a private's pay and allowances.

And further that this increase apply equally to university students and to those taking vocational training.

#### APPENDIX C

The following is an editorial of the *Ottawa Citizen*, reprinted in the *Vancouver Daily Province*, February 25, 1946. It expresses our case so well, although an independent statement, that we can add to it little but a hearty "Amen".

#### COLLEGE EXPENSIVE FOR VETERANS

"I can't afford to stay at college on \$60 a month. If I have to dip into my gratuity, I might as well make a living with it and go into business."

Such was the valedictory of a serviceman who had made a sincere attempt to carry on with the education under the veterans' rehabilitation plan.

The government's recent decision to allow ex-service students to earn up to \$75 a month, in addition to their educational grant, did not help to solve his problem.

Apart from the extreme difficulty of finding a suitable part-time job, many students have discovered that there are not enough hours in one day to catch up—and keep up—with their studies conscientiously, that settling down to book work and reorienting themselves to civilian life is a full-time job in itself.

Cities such as Ottawa demand the highest room-rent and living expenses. A record of the cost of bare necessities adds up to some \$70 a month for room-rent, meals, laundry, haircuts, books and other incidentals.

It is agreed that the Canadian Government is doing perhaps more than any other towards the rehabilitation of its service personnel, but under the present conditions the ex-service student must decide whether he will gamble his gratuity nest-egg on a college education or use it—immediately—to set himself up in business.

If he decides to remain at college he will have no gratuity to give him a start when he graduates, and there is no guarantee that by gambling his all on becoming a "college man" he will receive extra dividends on his—and the government's—investment.

If, on the other hand, he decides to become a small businessman, the very fact that business is his second choice may be an indication that he may not make good, and may remain—or become—a public problem.

To-day, no country can afford to gamble with the training of its potential leaders—scientists, educators, engineers, and other professional men.

It is suggested that an adequate increase to the present education grant would be money well spent for the future of Canada.



## APPENDIX "D"

## BRIEF ON HOUSING PROPOSALS

PRESENTED TO THE ROYAL COMMISSION ON VETERANS AFFAIRS,  
BY U.B.C. BRANCH NO. 72 OF THE CANADIAN LEGION B.E.S.L.

University of British Columbia,  
Vancouver, B.C.

This Brief is presented by the University of British Columbia Branch No. 72 of the Canadian Legion, B.E.S.L., an organization comprised of 1,300 members, representing 3,500 Ex-service students attending university at Vancouver, B.C.

*Introduction*

It is very evident that married veterans, particularly those with children, are having a great amount of difficulty in procuring suitable living accommodation while attending university. Unmarried veterans may be expected to make the best of whatever accommodation is available, but the married veteran cannot neglect his responsibility for the welfare of his wife and family. Worry or dissatisfaction in this regard impairs his concentration on his studies and there is indication that some married veterans may even have to abandon their university courses because of their unwillingness to subject their wives and children to further hardship. If any number are forced to do so it will prove a sad loss both to the veterans themselves and to the country at large. The married veterans has proven to be the most serious of students and is making considerable sacrifice in order to fit himself to assume his rightful position in the development of Canada. It is for these reasons that we, of this Branch of the Canadian Legion, submit the following for your perusal, believing that it is in the interest of both the married veterans and the general public that assistance be provided.

*I. Need for Housing for Student Ex-Servicemen*

- (a) Out of nearly 7,000 students now attending U.B.C., about 3,500 are ex-servicemen and women, of whom over 1,000 are married; about one-third of the latter have children.
- (b) The University Branch of the Canadian Legion has on file 338 applications (sample attached) for accommodation, which may be analyzed as follows:—

Married with children.....	127
Married without children.....	172
Single but expect to be married before summer..	32
Miscellaneous single with dependents.....	7

- (c) The very limited available housing accommodation in Vancouver is unsuitable for student veterans' families because of:—
  - i. Limited rent which they can afford, on rehabilitation grants (See Appendix A)
  - ii. Special requirements of students for study room
  - iii. Distance from the University (See Appendix B)

## II. Attempts to Date at Solution of Problem

- (a) The U.B.C. Branch of the Canadian Legion has surveyed the housing needs of all student veterans on the campus and has investigated every possibility of filling these needs, with particular reference to:
  - i. Conversion of existing facilities
  - ii. Utilization of Government sponsored programs such as Wartime Housing, V.L.A., N.H.A. Because their requirements cannot be satisfied by ex-service students, these means are unavailable.
- (b) The Legion Housing Committee has conducted a Housing Registry since October, 1945, and has been successful in placing about 75 applicants, both single and married. This Registry has been operated in close co-operation with Emergency Shelter and urgent cases are now being sent to the old Hotel Vancouver. However, in recent months there has been little or no response from appeals for further housing accommodation for married students.
- (c) The University has accommodated nearly 400 single persons in dormitories (See Appendix C) and provided converted army huts for about 15 families. Due to lack of suitable buildings and space, this plan has now reached a saturation point.
- (d) Negotiations are now being conducted to acquire a small army camp near Vancouver, which may be converted into accommodation for 30 families. Due to distance and lack of suitable buildings, very little further can be accomplished in this way.

## III. Proposal to Solve the University Housing Problem

- (a) We propose the construction on the campus of a number of dwellings similar to the attached plans—both one and two bedroom models.
- (b) Costs:—
  - Duplex, 20 x 40*  
2 units, 20 x 20, consisting of bedroom, kitchen, living room and bathroom, complete with all plumbing, wiring, etc.—\$3,200.
  - Single Unit, 20 x 28*  
Consisting of 2 bedrooms, kitchen, living room and bathroom—\$2,000.
- (c) *Rents.* It is suggested that these rent for about \$25 per month, or \$300 per annum, giving an income of \$1,500 if rented for 5 years.
- (d) *Administration.* The Housing Committee of the University Branch of the Canadian Legion offers to assist in the administration of the scheme under the University authorities.
- (e) *Advantages.*
  - i. Low original unit cost.
  - ii. Mass Production. These houses can be built at the rate of one every two days.
  - iii. Future use after 5 years:—
    1. Accommodation for lower income University staff.
    2. There will always be a few married students at U.B.C.
    3. Bachelor accommodation for students as is provided at some American universities.
    4. Surplus is easily dismantled and taken away, with an estimated resale value of half the original costs.
    5. Suggested markets for resale are tourist camps, summer homes, logging camps, etc.

## IV. Financing of the Above Scheme

Because the future of some of Canada's young scientists, business men and leaders is at stake, we respectfully ask the assistance of the Dominion Government in the financing of the above project.

APPENDIX A

1. Shown below are relevant items, totals and averages of cost of living for Student Veterans at U.B.C., as of December 20, 1945. The results are on the basis of the first 500 replies received to questionnaires circulated by mail to 2,300 veterans at U.B.C.

2. All items were as accurately tabulated as possible. Those questioned were cautioned to be conservative in these estimates.

3. The survey was categorized as follows, with number of replies in each category shown.

- Group A were single without dependents.....basis 344 replies
- Group A1 were single with dependents.....basis 18 replies
- Group B were married with no children.....basis 81 replies
- Group C were married with one child.....basis 32 replies
- Group D were married with two or more children.....basis 16 replies
- Group E were miscellaneous, including pensioners.....basis 9 replies

COST OF LIVING

MONTHLY EXPENDITURES	"A"		"A1"		"B"		"C"		"D"		"E"	
	Aver.	No.	Aver.	No.	Aver.	No.	Aver.	No.	Aver.	No.	Aver.	No.
1. Board and Room.....	34.00	298	37.81	11	48.00	23	48.33	9	35.00	.....	34.16	6
2. Additional Board and Room.....	11.07	73	9.74	4	11.88	4	35.00	1	19.25	.....	6.13	4
3. Rent.....	15.85	15	22.10	5	32.82	50	32.85	21	32.62	.....	32.50	2
4. Groceries.....	17.44	19	26.79	6	38.30	55	42.79	24	50.57	.....	.....	.....
5. Transportation.....	4.63	294	3.66	17	6.02	73	5.85	30	6.14	.....	6.00	8
6. Sub-total of Capital; non-essential*.....	10.25	302	9.42	16	12.30	69	9.59	31	20.84	.....	7.60	4
TOTAL REGULAR MONTHLY EXPENDITURES (includes 5 items not de-tailed above).....	55.00	324	64.72	17	88.17	75	97.55	31	116.82	.....	74.33	8
Regular monthly expenditures less item 6 above.....	44.75	.....	55.30	.....	75.87	.....	87.96	.....	95.88	.....	66.73	8
Total occasional per month.....	17.94	302	22.52	17	27.10	73	28.25	31	28.74	.....	30.09	8
Books for course (avg. total per month).....	5.05	315	5.23	17	35.00	73	5.83	30	5.72	.....	4.00	10
TOTAL MONTHLY EXPENDITURES.....	78.30	322	94.50	17	119.39	74	128.11	31	142.72	.....	101.80	8

\*Capital and non-essential includes payments on furniture, etc., and recreational expenses.



## APPENDIX "B"

An analysis of one question in the Housing questionnaire of the survey (Para. 1 of Ap. A.) showed the following waste of man-hours imposed on married students in commuting to U.B.C.:

1. Of the married veterans 35 per cent commuted an average of 30 miles per day wasting three hours in travel. The remaining 65 per cent lived nearer averaging ten miles and one hour, in transit.

2. These percentages, based on 500, if applied to the 3,500 veterans now at U.B.C. indicate that:—

Of 1,000 married students in attendance here: *350 waste 1,050 hours every day in travelling 10,050 miles.—the remaining 650 waste 750 hours and 7,500 miles in daily commuting.*

3. Houses erected on the campus would eliminate this colossal waste of valuable man-hours.

4. Whether in the first category or the second, the average daily cost to students for street car and bus fares is .19c amounting to \$5.00 per student per month, the total cost for married students alone thus being \$5,000 per month for transportation. This cost would be eliminated for those housed on the campus.

## APPENDIX "C"

1. A comparable analysis for students who are single shows the following totals. (Due to dormitory accommodation for single students, and to the fact that they can find accommodation nearer at hand, than can married students) the percentage with long, viz. 30-mile, daily transit is only eleven per cent.

*Daily waste of time for this category totals 825 hours.*

2. The majority of the remaining 89 per cent live so near to the university that their daily transit time approximates an average 35 minutes. Cost in their case is correspondingly less, varying from nil for those living in the hut-dormitories to bus and bus-street car fares for the remainder. The advantage is evident as a saving of both time and money.









by Doc  
Can  
Com  
V  
CAI  
XC2  
45V21

Canada - Veterans Affairs  
Spec. Cttee, 1946

SESSION 1946  
(HOUSE OF COMMONS)

The Hon.  
SIR JAMES  
DUFFY  
MONTREAL

(SPECIAL COMMITTEE)

(ON)

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

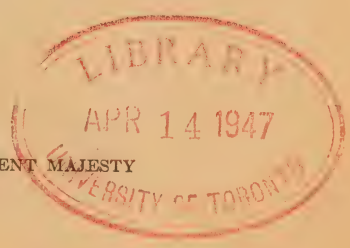
No. 23

TUESDAY, MAY 28, 1946

## WITNESSES:

- Mr. W. S. Woods, Deputy Minister of Veterans Affairs;
- Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission;
- Mr. C. B. Topp, Chief Pensions Advocate;
- Mr. Grant Livingstone, University of British Columbia, Branch 72, Canadian Legion of the B.E.S.L.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946







# MINUTES OF PROCEEDINGS

TUESDAY, May 28, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Baker, Belzile, Bentley, Brooks, Cleaver, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Gauthier (*Portneuf*), Green, Harris (*Grey-Bruce*), Herridge, Jutras, Kidd, Langlois, Lennard, Marshall, Mackenzie, McKay, Merritt, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver N.*), Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Winters, Wright.

*In attendance:* Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. C. B. Topp, Chief Pensions Advocate; Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission; Mr. Grant Livingstone, University of British Columbia, Branch 72 of the Canadian Legion.

Mr. Livingstone was recalled, heard, questioned and retired.

Mr. Woods was recalled, made a statement respecting training allowances, and was questioned thereon.

Mr. Topp was called, made a statement respecting the Veterans Bureau, was questioned thereon and retired.

The committee resumed consideration of the draft of the proposed bill to amend the Pension Act.

Mr. Melville was recalled and questioned.

The draft bill was amended by the addition of the following as clause fourteen:—

14. Section twenty-nine of the said Act, as enacted by section twelve of chapter 45 of the statutes of 1933 and amended by section sixteen of chapter 44 of the statutes of 1936, is further amended by repealing subsection four thereof and substituting the following therefor:—

(4) Notwithstanding the provisions of subsections one and two of this section, any addition to pension granted under subsections one or two of section twenty-six of this Act to a member of the forces who is blind shall not be suspended during the time he is entitled to hospital allowance or is an in-patient under treatment or is an inmate of a departmental institution under Veterans' Care.

Clauses eleven, twelve, thirteen, fourteen and fifteen were renumbered as fifteen, sixteen, eighteen, nineteen and twenty-two respectively.

Subclause (1) and paragraph (b) of subclause (2) of clause fifteen and clause eighteen were adopted without amendment.

The draft bill was further amended by the addition of the following as clauses twenty and twenty-one:—

20. Sections 45 and 46 of the said Act as enacted by Sections 18 and 19 of Chapter 23 of the Statutes of 1941, are repealed and the following is substituted therefor:

"45. The benefits of this Act, in so far only as the same or equivalent benefits are not provided under the laws or regulations of members of the British Commonwealth of Nations, other than the Dominion of Canada, or under the laws and regulations of the several countries allied with His Majesty, shall be conferred upon all persons domiciled in Canada on the date of commencement of World War I, who, subsequent to that date, have served in the naval, military or air forces of any of the said members of the British Commonwealth of Nations, or in any of the aforesaid forces of any of the countries allied with His Majesty, and who, while so serving during the said war have suffered disability or death in respect of which a gratuity or pension has been awarded under the laws or regulations of any of the aforementioned countries; and the widows, children and other dependents of such persons shall be entitled to the benefits of this Act in so far as the same or equivalent benefits are not provided in respect of them under

the laws or regulations of any of the aforementioned countries; provided that payments may be made under the provisions of this section only to such persons as are residents of Canada and during the continuance of their residence therein; and further provided that no payments may be made under these provisions in respect of any period prior to June first, one thousand nine hundred and forty-six".

21. The said Act is further amended by adding thereto the following section immediately after Section 46A.

"46B. In the consideration of any claim or the authorization of any award under the provisions of any of the three sections next preceding, the Commission shall require the applicant or pensioner to take all or any steps to claim payment or additional payment under the laws or regulations of the several countries by authority of which the original grant of pension was made, or under the terms of any agreement which may have been or may hereafter be made with any of the countries concerned."

Clause twenty-two was amended by deleting the number 46B and substituting therefor 46A in the fourth line thereof.

Clause twenty-two, as amended, was adopted.

The draft bill was further amended by the addition of the following as clause 12A:—

Subsection three of section twenty-four of the said Act, as enacted by section fourteen of Chapter 23 of the statutes of 1941, is repealed and the following substituted therefor:—

24. (3) Pensions for disability resulting from pulmonary tuberculosis when during the treatment of a member of the forces the presence of tubercle bacilli has been discovered in the sputum or it has been proved that the disease is moderately advanced and clinically active, shall be awarded and continued as follows:—

- (a) In the case of a member of the forces who served in a theatre of actual war and whose disease was attributable to or was incurred or was aggravated during service, *either during World War I or World War II*, and in the case of a member of the forces who did not serve in a theatre of actual war whose disease was incurred during service during *either of the said wars*, a pension of one hundred per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;
- (b) In the case of a member of the forces who did not serve in a theatre of actual war whose disease was aggravated during service, *either during World War I or World War II*, a pension of ninety per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;
- (c) In the case of a member of the forces who has seen service in peace time, whose disease occurred on service and arose out of or was directly connected with such service, a pension of one hundred per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;
- (d) In the case of a member of the forces who has seen service in peace time, whose disease was aggravated during service and the aggravation arose out of or was directly connected with such service, a pension of ninety per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;

Provided that after the expiry of two years no pension awarded in respect of pulmonary tuberculosis shall be reduced by more than twenty per cent at any one time, nor shall reductions be made at intervals of less than six months; and that the provisions of paragraphs (b) and (d) of this subsection shall not apply if the disease manifested itself within a period of three months after enlistment.

At 1.00 o'clock p.m., the Committee adjourned until Thursday, May 30, at 11.00 o'clock a.m.

A. L. BURGESS,  
Clerk of the Committee.

# MINUTES OF EVIDENCE

HOUSE OF COMMONS

May 28, 1946

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, Mr. Woods is here and is prepared to make a short statement in regard to the matters on which we heard evidence yesterday. Before I call on him, I understand Mr. Livingstone would like to say a few more words in regard to something he overlooked yesterday. I pointed out to him that we desired to get on with the Pension Act, but I felt that when they had come so far and took the attitude they had taken, we certainly should take a few more minutes if he wishes to present something further. So with your permission I will call on Mr. Livingstone to make a further short statement. You can come to the front of the room, Mr. Livingstone.

Mr. GRANT LIVINGSTONE: Mr. Chairman and gentlemen, we have here a resolution which was passed in our branch. It is concerned dually with pensions and with the matter of allowances, so I do not think it is entirely inappropriate for this meeting. I should like to read the resolution because I think it is self-explanatory. It reads:—

Whereas the present policy of the Department of Veterans Affairs with respect to pensioners undertaking educational training under their re-establishment credits is to reduce the amount of their living allowance considerably, in proportion to their pension;

And whereas veterans groups, especially the Legion and the Amputations Association, have for years been decrying the practice of some private employers of taking advantage of pensioners by reducing their wages, promotions, amenities, etc., in similar fashion, and for similar reasons;

And whereas pensioners in many cases are unable to supplement their maintenance grants by outside employment as can non-pensioners who can earn up to \$75 per month without deductions;

And whereas many pensioners are subjected to above-normal costs, as with leg amputations who must purchase and maintain a car to attend school etc., and to lead a normal life;

And whereas private employers tend to follow the example of policies set by government agencies in their attitude toward ex-servicemen;

I would cite there the matter of the civil service preference for overseas soldiers and the way in which numerous private employers across the country did follow the example of the government, considering that it was a legitimate line to draw with respect to ex-servicemen. Continuing:—

And whereas the number of pensioners involved in the educational rehabilitation schemes is small in relation to the principle involved, and rectification of present policy would not, therefore bear heavily on the public treasury but would bear greatly on the future of disabled veterans;

Therefore be it resolved:



Then there is this resolution, and I may say that this resolution was presented at the provincial convention:—

(1) This convention condemn the present Department of Veterans Affairs ruling which reduces the rate of maintenance grants to pensioners in receipt of educational rehabilitation benefits.

(2) That this convention calls for an immediate rectification to this ruling by the parliamentary Veterans Committee, the Department of Veterans Affairs, or appropriate authority.

(3) That this convention condemns any tendency of private employers to take advantage of any pensioner by paying him less than he would receive if not pensioned.

(4) That copies of this resolution be forwarded to the dominion command, the Minister of Veterans Affairs, all members of the parliamentary Committee on Veterans Affairs, the Director of Rehabilitation and to such additional authorities as provincial command may deem advisable, and that this resolution be presented for endorsement at the dominion command.

I do not know whether that has been done by the provincial command of the Legion, but in any case so far as presenting this was concerned, we considered that we would perhaps have this opportunity that your committee has given us.

I should like to say with regard to this resolution that again I would emphasize that it affects a relatively small number but it affects those very seriously. Unfortunately I cannot argue the case effectively, perhaps, because I am affected myself. I should like to say, particularly with regard to leg amputations, that it is a very serious problem with a man who has perhaps a brace on his leg, as one of our members has, who has to obtain a car in order to reach the university from a distance of some 7 miles, and has not only to pay for it but has to operate that car, and has his pension for his disability reduced to such extent that he benefits only to the extent of \$7 by it, although his pension is over \$25; I forget the exact figure. It is with respect to that and because there is not a very large amount involved that we would urge that particular matter.

If I may, I should like to add a few words to what I said yesterday because it has been called to my attention that I did not sufficiently emphasize the problem affecting student veterans at the present time at universities. I should merely like to say that the very excellent legislation with respect to educational rehabilitation is definitely in jeopardy at the present time with respect to a considerable proportion of students attending university, particularly married students. I should like to quote the minister's statement in reply to the National Conference of Student Veterans' brief, which was to the effect that no student veteran should have to forego his educational opportunities because of his economic circumstances; and that is definitely the basis of our present representation, because we do feel very strongly that a certain proportion will be forced to leave this year definitely because of economic circumstances. I should merely like to quote Dr. Norman A. Mackenzie in a public address recently to the effect that unless the problem is met, the result undoubtedly will be either broken homes or broken careers, or both.

I thank you, sir and gentlemen.

The CHAIRMAN: Mr. Woods, I believe you have a statement to give to the committee now?

Mr. W. S. Woods (Deputy Minister of Veterans Affairs): Mr. Chairman and gentlemen, this statement is offered by the department as providing certain factual information that it is felt should be placed before the committee on the subject of training allowances which was under discussion yesterday.

It is not the department's responsibility to determine the measure of rehabilitation assistance Canada should render to its veterans. This is the responsibility of government and parliament, assisted by committees such as

yours. Our job is to administer legislation and the observations offered by us are merely for the purpose of providing a background of information for the assistance of the committee.

It is estimated that 40,000, or less than 4 per cent, of those who served in our forces will take university training and the cost is estimated at \$164,000,000, or in round figures, \$4,000 for the individual. We estimate that a further 70,000, or about 6 per cent, will benefit under vocational training, the cost of which has been estimated at \$76,000,000, or \$2,000 per case. You will observe that we expect almost double the number receiving university training will take vocational training and at less than half the cost.

Coming to the Veterans' Land Act, Mr. Murchison, the director, is credited with the forecast that at least 100,000 will be settled. This represents about 10 per cent of those who served. The maximum benefit given in the form of equity in property under the Veterans' Land Act is, as you know, \$2,320.

I have referred to 4 per cent taking university training at a cost per individual of \$4,000; of 6 per cent taking vocational training at a cost per case of about \$2,000; of 10 per cent taking land settlement at a cost, if all receive the maximum benefit, of \$2,320 per individual. This represents altogether 20 per cent of those who served. The provision for the remaining 80 per cent is, as you know, the re-establishment credit under the War Service Grants Act. The average re-establishment credit now in payment is \$425 per individual for a total of \$340,000,000.

The figures I have given are estimates, so far as we are able to forecast at this time. We hope that more will take vocational training. This will be governed by economic conditions. The comparative figures do, however, give the committee a perspective of the approximate numbers that we expect to benefit by the various legislative measures and the approximate expenditure by the state on each group.

Proposals have been made that a flat increase in training allowances be given. If allowances are increased for training, presumably other veterans receiving allowances for out-of-work benefits, or while they are temporarily incapacitated, or while they are awaiting returns, would expect corresponding increases, and reasonably so. The simplest way to meet all difficulties is, of course, a flat increase benefiting everybody alike; but if the increase is to be based on the needs of classes of individuals, then, of course, those needs vary; for example, many veteran students, particularly the single ones, are living at home with parents. Many others are living on the campus or in quarters provided by universities. Many others are bound to live in cities and pay high rentals. There is a great variance, as a consequence, in the expenditure of the individual. The cost of board and lodging of single men at universities ranges from \$30 to \$45 a month where it is available. Then, again, a number of universities have succeeded in securing army huts which they have divided up for the accommodation of married students. Such huts are rented to students at from \$30 to \$40 per month. This is obviously less than a couple would have to pay for rent of suitable accommodation in a city.

It would seem that a flat increase that would be required for those living in rented accommodation in our cities could hardly be justified with respect to those who are living at home or in accommodation provided by universities. It may be mentioned in passing that our department, through the co-operation of the Emergency Housing Branch of the Department of Reconstruction, is rendering all possible assistance to universities to obtain possession of surplus army huts for living accommodation for the married veteran. The difficulties of granting a flat increase to all, regardless of their circumstances, are merely mentioned for the committee's information and not cited as an objection to an increase which is a matter for government, and parliament, on the advice of committees such as this, to determine.



As to the actual cost of living as provided to us by the Dominion Bureau of Statistics, the following figures arise from a survey made by the bureau in collaboration with university authorities and the Department of Veterans Affairs. This survey indicates that the married student veteran expends \$83.50 in board and lodging, \$5 for laundry, \$4 for personal care, \$5 for urban transportation, \$16.50 for clothing and \$9.30 for insurance, for a total of \$123.30. This is compiled from questionnaires submitted to students. The bureau finds that the average Canadian married couple spends \$61.25 for board and lodging including laundry, \$2.20 for personal care, \$7.25 for transportation, \$11.84 for clothing and \$6.85 for insurance for a total of \$89.39.

As to the single man, the survey shows that he pays \$47.50 for board and lodging, \$2 for personal care, \$2.70 for transportation and \$5 for laundry, for a total of \$57.20. This does not, of course, include his requirements for recreation, tobacco, clothing and miscellaneous items.

It is a matter, of course, for decision as to whether the allowances paid to university students, vocational students, unemployed veterans and veterans awaiting returns should include all items of living requirements including recreation, transportation, insurance, clothing, personal care, etc. The department is frank to state that the out of work allowances were not based on any factual data of this kind.

Reference was made in the evidence yesterday to the comparison of veteran training in other countries. Because of the wide disparity in the terms of the legislation and other factors, it is difficult to make a comparison with Great Britain but perhaps a closer analogy could be made with the Veterans' GI Bill of Rights in the United States. Under this measure the American veteran receives, if single, \$65 per month while training and \$90 per month if married. No provision is made for allowances for children.

Reference was also made during the discussion yesterday to the differential between the allowances paid to single and married students, namely the difference between \$60 and \$80, which is \$20. It is pointed out that under the Canadian Pension Act the differential is precisely the same, i.e., an 80 per cent married pensioner receives \$80 per month, \$60 on his own behalf and \$20 on behalf of his wife.

It perhaps should be mentioned that the entire allowances payable under the Veterans' Rehabilitation Act are free of income tax and that if it be necessary for the married veteran to leave his home to take up residence at the university or training school, he is paid \$21.60 per month for maintaining the two establishments in addition to the regular rates.

It is sincerely hoped, Mr. Chairman and gentlemen, that the foregoing will not be taken as an argument by the department against a flat increase or as an argument that some further adjustments are not necessary to meet the problem of the student veteran. It goes without saying that after enactment of a program that has attracted over 30,000 veterans to our universities our department is vitally concerned that no appreciable number of veterans are compelled to give up their course on financial grounds. The information that has been given is merely to try and show the training program in perspective to other rehabilitation measures and to point out some of the difficulties in granting a flat increase to all regardless of their circumstances.

The department takes pride in the performance of veteran students. All the universities report a very high standard of achievement of veteran students as compared with the student in peace time. The standard of accomplishment of the students is little short of amazing and we hope that opportunity will be afforded at a later date to present some illustrations of this for the information of the committee.

The department has no doubt that although many veterans will have to face difficulties in getting through to their degree, whatever is done for them by the government, they will be assured of a much higher standard of living



when this is complete than the remaining 95 per cent of their comrades.

The department is also mindful of the fact that the parliamentary Committee on Veterans' Affairs in its final report recommended that consideration be given to increasing the rates set forth in parts 2 and 3 of the schedule of rates to the Post-Discharge Re-establishment Order, namely, that part which provides for training, although no specific amount was recommended.

In conclusion, Mr. Chairman, I should like to quote a recommendation made by the University Advisory Committee. The University Advisory Committee is a committee representing Canadian universities. In discussing this question of the adequacy of university training rates at the last meeting, they summed it up thus:—

Summing up, the committee was of the opinion that if employment is available during summer recess and if the government confines its responsibility to board and lodging, the present training allowances are adequate for all but a relatively small group of married veterans without suitable housing.

The CHAIRMAN: Thank you, Mr. Woods. If no member of the committee wishes to ask any questions of Mr. Woods, I think we should conclude this part of our hearing. I should like, on behalf of the committee, to thank the representatives of the University Student Veteran's Organization for the splendid way in which they presented their case. I am sure that whatever the decision of the committee may be, the members will all be unanimous that they made a very able presentation and they did it in a very acceptable way. I wish to thank these young men for appearing before us and for the presentation which they made to us.

Mr. GREEN: Mr. Chairman, there is one question I should like to ask Mr. Woods. The statement he just read dealt with employment in the summer time. What is the position now with regard to employment for university men during the summer?

Mr. WOODS: I am afraid I am not competent to give figures at this time. I had not prepared myself for that, but that is information that can be procured.

Mr. GREEN: I think it might be worth while for the deputy to have some investigation made. I know in British Columbia it is very difficult for the students to get work.

The CHAIRMAN: Yes. We can get that from the Department of Labour, I think.

Mr. FULTON: While Mr. Woods and the minister are here, Mr. Chairman, I wonder whether they would care to say whether or not consideration is being given to making loans available to those veterans to take care of exceptional cases, either direct or else through the universities, such loans to be repayable?

Mr. WOODS: I think I may say that that matter is now under close consideration by the government, that it is probable that further proposals will be brought in. If the government approves them, further proposals will be brought in to facilitate loans to university students. I am naturally not at liberty to say what they will be, but the question of loans is certainly under active consideration.

Mr. SINCLAIR: Mr. Chairman, there was one phrase used by Mr. Woods that I wish to comment on. He concluded his brief by saying that a relatively small number had housing troubles. As far as Vancouver and the University of British Columbia are concerned, I think you could not dismiss it in that way by saying it is a relatively small number. I think it is quite a considerable number of married veterans. They have this added problem as far as summer employment is concerned. In British Columbia there is a great deal of summer employment in the logging camps and canneries, but the married man with

children has the problem of having to maintain a household establishment in Vancouver when he goes out, so he therefore looks for employment in the city of Vancouver, which is not nearly as easy to get. This aggravates this problem of what Mr. Woods describes in Canada as being a relatively small number. I am sure in Vancouver in the University of British Columbia it is a quite considerable number of the students.

Mr. KIDD: Mr. Chairman, I should like to say something along the lines of what Mr. Sinclair has said. I had the father of some students at Queen's come to see me not last weekend but the weekend before. The married boys are having difficulty there. Both these students are attending Queen's University; they have finished their first course but they say if they cannot get settled with their families they are concerned about coming back again. There is a housing problem for the married students. I think there are between 200 and 300—nearer 300—such students at the university and they are having problems.

The CHAIRMAN: May I say, gentlemen—I did not want to interrupt these two gentlemen—that the understanding was, I think, that we would hear these representations, get such facts as the department were prepared to give us this morning, and then we would not debate this thing at the present time.

Mr. FULTON: I have one other question in connection with these married students. Does the separation allowance which Mr. Woods referred to, of \$21.61 a month, continue if a married student leaves his home and goes off in the summer to work?

Mr. WOODS: There are no allowances payable except while they are in actual training. With respect to Mr. Sinclair's attributing to me a statement that a relatively small number had problems in housing, I do not find that statement in my brief here.

Mr. SINCLAIR: I may have misunderstood it.

Mr. WOODS: I was referring to the student body as a whole representing between 3 per cent and 4 per cent of those who served as being relatively small in number; but I do not find in my brief that I said I thought the number who had housing problems was relatively small.

Mr. BROOKS: Before Mr. Woods leaves I would like to hear him comment on the reduction in the pension of soldiers on account of the allowances they are receiving. I think that is a serious matter.

The CHAIRMAN: Is not that a matter for discussion? We have the facts on that and if Mr. Woods comments there may be considerable discussion arising out of that comment, and I think the understanding was that we would get the facts as the department could bring them together hurriedly for this morning and put them on the record for study, and then we would debate the matter later on. I believe that any comment by Mr. Woods would, I am sure, lead to further comments from members of the committee, and with your concurrence I think we should proceed now with the pension legislation. We only diverted from it to hear the university students, and I thought it would be a good thing to have the actual numbers and so on put on the record so that the whole matter would be before the committee for study, and then we could go into the matter again.

Mr. BROOKS: That is all right so long as the matter is not lost sight of and will be discussed at an early date.

The CHAIRMAN: Thank you. Gentlemen, we have with us today Brigadier Topp who has a short statement to make in regard to the Veterans' Bureau, and there again I think the understanding was that we would not have a great deal of discussion but that we would have a statement; and if we have to debate the matter we would put that debate off until we have dealt with the Pension Act.



**Brigadier C. T. Topp, C.B.E., D.S.O., M.C., Veterans' Bureau, Department of Veterans Affairs, called:**

The WITNESS: Mr. Chairman and gentlemen, I have a statement here and I shall be very grateful indeed if I might simply submit it to you as prepared. Pursuant to direction of the committee I have carefully read proceedings of 23rd May last in so far as they touched upon the work of the Veterans' Bureau.

In addition I have referred to submission on this same subject made by the National Council of Veterans' Associations and commented upon by the Inter-Departmental Committee on Veterans Affairs at page 47 of Minutes and Proceedings, No. 1, dated March 26, 1946. The submission in detail appears at page 1236 of Minutes and Proceedings, No. 34.

This material seems to fall into four distinct divisions:—

- (1) Whether pensions advocates are independent of the Canadian Pension Commission;
- (2) Whether pensions advocates should always be lawyers;
- (3) Powers of the Veterans' Bureau under the Act in relation to those of the Canadian Pension Commission;
- (4) Any other matter which, in the view of the chief pensions advocate, would be helpful to the committee.

*Independence of the Veterans' Bureau*

As to the first point, the Veterans' Bureau is by virtue of section 10 of the Pension Act under the direction of the Honourable the Minister of Veterans Affairs and is wholly independent of the Canadian Pension Commission. A pensions advocate in the discharge of his professional duty is just as free and just as unrestricted as a medical officer in treating a patient. Both must deal with the case in accordance with accepted practice and in the manner deemed proper in the light of their training, experience and good judgment. It is unnecessary in my view to labour this point. Pensions advocates could not possibly do their work effectively if not attached to the department where they have access to files, medical and other departmental services.

*Legal Qualifications*

The question of whether or not pensions advocates should be lawyers has often cropped up over the years. Section 10(2) provides that advocates "shall as far as may be practicable be barristers". There are some thirty pensions advocates at present on duty and all but seven of them are lawyers, several being King's Counsel. To my mind, thorough knowledge of the Pension Act, and more particularly procedure thereunder over the years, is an essential qualification of a pensions advocate whether a lawyer or a layman. It is extremely difficult to find such men at the present time in the legal profession or elsewhere.

There are five vacancies for pensions advocates in the department at the moment, and the question of filling these positions adequately is giving us a good deal of concern. Senior pensions advocates are now nearly all older men who served in the first great war. One of them is well over superannuation age and is retiring in July. Several others are approaching retirement age. Much the same situation exists in respect of experienced adjustment officers employed by veterans' organizations. I regard it as imperative that we should get younger men with battle experience in the second great war into these posts so that we may have a trained reserve to take over from the older men in due course. There are few, if any, second world war veterans of the younger generation with experience in pension adjustment work. The department, therefore, must take personnel without experience. It is my view that a young man



with legal training will more readily and more quickly adapt himself to this type of work than would a young man without legal training. However, in advertising the positions I have mentioned, it is not the intention to restrict applications to members of the bar.

### *Powers of the Veterans' Bureau*

At the present time the Veterans' Bureau has statutory jurisdiction only in respect of entitlement claims under section 11 of the Pension Act. Strictly speaking it has authority to function solely in respect of the following matters:—

(1) Section 52, on presentation of entitlement claims before the commission at any stage, and before appeal boards thereof,

(2) Section 57(4), on application for leave to re-open.

While entitlement claims under section 11 are of paramount importance and represent the bulk of the work of pensions advocates, it will be realized that there are many other issues which daily arise in the administration of the Pension Act which do not fall within the scope of entitlement under section 11. Some of these are:—

Section 5(1), on change in basis of entitlement,

Section 7(3), on the hearing of complaints in respect of assessment or other matters,

Section 21, the so-called meritorious clause,

Section 21, retro-activation claims.

Section 32, and subsequent sections, dealing with pension for deaths, including such important questions as validity of marriage, cancellation of pension on grounds of misconduct, and so on.

In addition, questions of law involving interpretation of the statute quite frequently arise. The Veterans' Bureau is without jurisdiction to intervene in behalf of the applicant in such matters.

While the Veterans' Bureau entirely lacks authority to do so, we have in point of fact for many years dealt with any type of claim under the Act in which our services were requested. We also make written submissions to the commission on questions of interpretation whenever we deem it advisable to do so. We do this, however, only by consent of the commission. I think this situation is unsound and that the statute should contain enabling authority which would make it abundantly clear that the Veterans' Bureau may act in behalf of an applicant in these matters otherwise than by virtue only of the good will of the commission.

### *General*

It is the view of pensions advocates that our pension legislation in this country is excellent, and that such faults as exist lie in its administration and interpretation rather than upon the principles of the statute itself.

Restoration of the insurance principle will be of far-reaching benefit and will remove the one really serious cause of complaint concerning the Pension Act which I found to exist upon returning to my present post recently after more than six years' absence.

There has also been a good deal of complaint across the country with respect to commission's interpretation and use of the term "wilful concealment", particularly over the period prior to Brigadier Melville's appointment to the chairmanship of the commission. It has been considered necessary by the Veterans' Bureau to advise applicants to appeal in scores of these cases. However, I feel that I should state on my responsibility as the representative of former members of the forces generally that we in the Veterans' Bureau are satisfied with the interpretation applied to this provision as presented to the committee by Brigadier Melville. We consider that retention of the clause in its present form and

its application in the manner described by the chairman of the commission is likely to be of greater benefit than would flow from its removal. Our reasons for this view are very similar to those expressed by the chairman of this committee. It is, however, our intention to go back over a number of these cases and seek to have them re-opened in the light of the present policy of the commission as explained by Brigadier Melville.

It is suggested for the consideration of the committee that the Pension Act as it stands at the present time has been patched and pared so frequently over the years without relation to the unity of the whole document, that its complete revision is most desirable. In our view it should be amended now to whatever extent may be essential in order to give statutory force to provisions enacted by order in council under the War Measures Act, but that non-essential changes should be left until this whole measure can be revised in detail by expert draughtsmen in consultation with the commission and others concerned.

Legal members of the staff of the Veterans' Bureau feel that many of the commission's interpretations are at variance not only with a lawyer's interpretation based upon legal rules, but also with popular understanding of the law. It is to be remarked in this connection that the Act contains no well defined procedure for dealing with questions of interpretation. The commission has unrestricted power to interpret the Act in all respects and does so largely upon a basis of individual cases as they arise. It might well be of advantage to the commission itself and to others concerned to have included in the Act some provision by means of which points of law involving interpretation might be referred to the Supreme Court of Canada. In this regard, it will be recalled that Mr. Parker, Secretary of the British Ministry of Pensions, explained to the committee that such a procedure is carried out by the Ministry of Pensions in England.

The Veterans' bureau makes no recommendation whatsoever in this regard other than to say that this is a subject which might well have consideration in any general revision of the Act.

This is all I have to say except that I wish to state quite impartially with all the force I can command that I feel it is of great importance in the administration of the Pension Act that a strong authoritative veterans' bureau should be maintained. The history of pensions legislation in this country up to the year 1936 is one of controversy and suspicion and constant amendment of the legislation and so forth until the year 1936. The procedure which is contained in the statute at the present time was recommended to the parliamentary committee of that year by the Veterans' Bureau and more particularly by Mr. Harry Bray who was then my district pension advocate in Toronto and who is now a member of the commission. The procedural sections of the Act which we put forward at that time were accepted, have been carried out with virtually no change of moment since then and are working out admirably. I suggest that a great deal of credit is due to the Veterans' Bureau for doing that job and I suggest, as I said before, that it is of the greatest importance to service men in this country that they should be authoritatively represented at the head office of the department in all matters relating to their rights under this legislation.

The CHAIRMAN: There was one question, Brigadier Topp, which interested me. What section limits your right to deal with matters under section 11 and prevents you from having a legal right to deal with other matters?

The WITNESS: There is not any section in the Act, Mr. Chairman, other than section 50, which refers to the powers of the Veterans' Bureau at all. Section 50 states that the bureau shall have power to deal with questions of entitlement under section 11. That is the only reference to the power of the bureau in the Act.

The CHAIRMAN: Section 51?



The WITNESS: Sections 50 and 51. I might add in that connection, Mr. Chairman, that we are not hampered in any way. We are able to go to the commission and do go to the commission about anything we like affecting a claim for pension, but under the statute as it stands now it is quite within the power of the commission to say: no, you have no business to come to us with this matter—assessments, for example—it is none of your business and we will not listen to you. Of course, they do not do that, but the fact is as I have stated.

Mr. CHAIRMAN: It would only take a very small amendment to give you the powers which are now actually exercised, would it not—an amendment to section 51?

The WITNESS: Yes, I think it would, but my legal people with whom I discussed this point tell me that if you put a small amendment in that particular section you should go over the rest of the Act and include provision, for example, requiring the commission to notify applicants in all these different types of cases that they have the right to go to the bureau.

The CHAIRMAN: The commission have been studying this whole Act, and they brought in the amendments that they felt were necessary to bring the Act up to date. Now, if you think there are some suggestions which are not embodied in the draft of the proposed bill here and which should be brought to the attention of the committee, I suggest that you get in touch with the chairman of the Pension Commission and make any suggestions, because the commission have been working on this matter ever since the first of the year with a view to making all the changes in the Act that they thought desirable, and they are embodied, as I understand, in this draft of the proposed bill which is before the committee. Now, have you studied this draft?

The WITNESS: I have just seen it very lately, sir. Quite frankly, I do not think we have been asked to sit in on that, and for that reason I do not know much about the background of what has taken place.

The CHAIRMAN: I suggest that you study this draft of the proposed bill and discuss it with the chairman of the Pension Commission, and if there are any suggestions then which you think should be brought forward I am sure the committee will be glad to consider them.

The WITNESS: Yes, sir, we have a very small amendment that we think probably would achieve the purpose I have mentioned, but I hesitate to suggest that it should be included at this time without giving the commission and all concerned time to consider its ramifications.

The CHAIRMAN: I suggest that you discuss that with the commission and bring forward an amendment to section 51 which you think will cover the situation. Thank you very much.

Mr. WRIGHT: May I ask what salary is paid to the pension advocates in the bureau?

The WITNESS: May I speak off the record for a moment?

The CHAIRMAN: Yes, if you wish.

(Witness' answer off the record.)

Mr. WRIGHT: I asked the question because Brigadier Topp mentioned the fact that a number of these pension advocates were about retiring age, and to secure the proper personnel to do the job with this department, I think it is necessary that the salaries of advocates should be such that they would attract the proper type of young men.

Mr. CLEAVER: You have given us the maximum salary; what is the initial salary?

The WITNESS: Under present rates the range is \$3,120 to \$3,720; under the proposed plan—I am speaking of the highest grade—it is \$3,900 to \$4,500. There



are one or two grades above that again for people at head office, but the district advocates' salaries in the larger districts will have a salary range of \$3,900 to \$4,500 if the recommendation now before the authorities is accepted. I may say, gentlemen, that Mr. Woods, the deputy minister, has been very much alive to the need for revision of salaries of the Veterans' Bureau. When I first got back to Ottawa, about a year ago, he spoke to me about the growing importance of the bureau's work and the need for its reorganization in many respects, and he is doing all that is possible for him to do to that end.

The CHAIRMAN: Thank you very much, Brigadier Topp.

Gentlemen, we decided yesterday to let section 27 stand until Thursday, and the next item that will be before the committee is on page 2 of the suggested amendments, 10 (a).

10. (a) Section twenty-nine of the said Act, as enacted by section twelve of chapter 45 of the statutes of 1933 and amended by section sixteen of chapter 44 of the statutes of 1936, is further amended by repealing subsection four thereof and substituting the following therefor:—

(4) Notwithstanding the provisions of subsections one and two of this section, any addition to pension granted under subsections one or two of section twenty-six of this Act to a member of the forces who is blind shall not be suspended during the time he is entitled to hospital allowance or is an in-patient under treatment or is an inmate of a departmental institution under Veterans' Care.

That brings into effect one of the proposals of the minister that veterans who were pensioned for blindness or helplessness are entitled to the helplessness allowance if they are in a departmental institution under veterans' care. Apparently, there was some ruling that while they could continue to get the helplessness allowance when they were in a hospital it was discontinued when they went into an institution where they got veterans' care, and you will remember that the minister suggested that this amendment be made so they could draw the helplessness allowance when they are in an institution under veterans' care.

Mr. GREEN: What is the definition of veterans' care?

Brigadier MELVILLE: Mr. Chairman and gentlemen, veterans' care is not in-patient treatment under the department. It provides for institutional accommodation for certain members of the forces, and during the period of such institutional care certain deductions are made for maintenance from the award of pension in payment.

Mr. GREEN: Does the veterans' care come under the regulation P.C. 91?

Brigadier MELVILLE: It comes under the regulations of the department.

Mr. GREEN: It is not defined anywhere in the Act.

Brigadier MELVILLE: It has nothing whatever to do with the Pension Act.

Mr. GREEN: This would be the only place in the Act where it will appear?

Brigadier MELVILLE: This is the only place in the Act where reference is made to veterans' care, and the amendment was brought forward because in the treatment regulations of the department a man under veterans' care is not an in-patient under treatment. It was desired to provide for the blinded pensioner who might seek veterans' care at some time so that, when admitted, he would be allowed a continuation of his helplessness allowance. In other words, if he wanted an escort to go out, as he would if he wanted to go down town to a movie or any other form of recreation, the pensioner would be in a position from his helplessness allowance to pay for that attendance.

Mr. GREEN: Why don't you make it wider and say an inmate of any departmental institution?

Brigadier MELVILLE: Well, I would have to examine that, Mr. Green; but the amendment as it is covers a very wide field and takes care of the class we hope will benefit by the change, and this is in accordance with the representation received from the Institute for the Blind.

Mr. GREEN: The trouble about your amendment is that you use those words "under veterans' care" and they are not applied to the Act. You might interpret that as being one thing today and five years from now another chairman of the Pension Commission might interpret it as being something else; and if it does not do any harm I think it would be wiser to make the provision wide and say any departmental institution.

Brigadier MELVILLE: We do not consider there would be any advantage. Under the regulations of the department: "veterans' care" is a treatment classification which is very clearly defined.

Some HON. MEMBERS: Carried.

The CHAIRMAN: That is carried then, gentlemen.

Section 10 (a) agreed to.

The next item is section 11 of the proposed bill. Would you explain to the committee the purpose of this change, Brigadier Melville?

Mr. FULTON: What section, Mr. Chairman, please?

The CHAIRMAN: That is on page 5 of the proposed bill, at the bottom of the page.

11. (1) Subsection one of section thirty-two of the said Act, as enacted by section twenty-four of chapter thirty-eight of the statutes of 1928, and amended by section twelve of chapter thirty-five of the statutes of 1930, is repealed and the following substituted therefor:—

32. (1) (a) No pension shall be paid to the widow of a member of the forces unless she was living with him or was, in the opinion of the Commission, entitled to be maintained by him at the time of his death and for a reasonable time previously thereto.

Brigadier MELVILLE: The change from the statute as it exists to-day is the deletion of the word "pensioner" and the substitution thereof of "member of the forces". I would refer the committee to the explanation which appears opposite page 6, and reads as follows:—

The use of the word "pensioner" caused little difficulty in the consideration of pension entitlement pertaining to World War I largely because the *Pension Act* was not passed until after the signing of the Armistice. Difficulties, however, have arisen in relation to World War II because under the Act as it now reads a widow of a member of the forces other than a pensioner is eligible for pension entitlement irrespective of her worthiness.

It probably would assist the committee if I were to cite an actual case because it brings out the particular point.

First of all, the term "member of the forces" is an inclusive term and of course would include a pensioner. This is a brief outline of an actual case of World War II. A soldier enlisted, married, and shortly thereafter proceeded overseas. After he left for overseas his wife became involved with another member of the forces. She relinquished all her right of support from her husband and actually lived with the second member of the forces as his wife at several points in Canada, a child being born of this illegal union.

Mr. CRUICKSHANK: In each place?

Brigadier MELVILLE: A child. She informed the Dependents' Allowance Board that she had no further interest in her legal husband. On learning of the situation, the legal husband continued to assign pay for a period but finally

cancelled it. The man with whom she was involved made an assignment in her favour and proceeded overseas shortly before the woman's legal husband was killed in action.

At the time the husband was killed in action, and for some time previous thereto, no dependents' allowance or assigned pay was in issue to the wife. On his death, however, she claimed pension and based her application on the ground that the provisions under section 32 (1) did not apply to her case. In other words, she said the provisions of section 32 (1) applied to a pensioner and "My legal husband was not a pensioner. I want a pension." I might say that in the interval the second member of the forces, after proceeding overseas, withdrew his assistance to the woman. Later he was returned to Canada to take an officers' training course and was commissioned.

Some Hon. MEMBERS: Oh, oh.

Brigadier MELVILLE: Those are the facts, gentlemen. The commission felt that this woman had no right to receive pension in respect to her legal husband notwithstanding the fact that she was technically eligible to apply. Actually it was felt she should take appropriate action to induce the second member of the forces to acknowledge his responsibility.

Mr. Chairman, I do not know if you wish to have that history as I have given it put on the record. It is a matter for the committee.

Some Hon. MEMBERS: No.

Mr. HERRIDGE: All the officers are opposed to it.

The CHAIRMAN: You did not say whether he was decorated as well. Shall we leave it off the record? I think we might as well.

Mr. CRUICKSHANK: I do not know about that, Mr. Chairman. It gives an explanation to the various men in the Legion.

The CHAIRMAN: No. Just this specific case.

Mr. CRUICKSHANK: There is no name mentioned.

Mr. HERRIDGE: Leave it in, then.

Mr. GREEN: Yes, leave it in.

Mr. CRUICKSHANK: I do not see why it should not be left in. The explanation is of value to me, and I do not see why it would not be to others.

Mr. ROSS: There are no names mentioned.

The CHAIRMAN: It will not hurt anybody.

Mr. BROOKS: It illustrates a point.

Brigadier MELVILLE: I merely offered it as an illustration to the committee as to why this change has been recommended.

Some Hon. MEMBERS: Carried.

Mr. FULTON: Did you say there were no children of the first marriage?

Brigadier MELVILLE: No; of the illegal union only.

Some Hon. MEMBERS: Carried.

Mr. BROOKS: I should like to ask Brigadier Melville a question.

Mr. CRUICKSHANK: What would have happened if there had been?

Brigadier MELVILLE: The child would have been pensioned as the child of the soldier.

Mr. BROOKS: I notice in section 32 it speaks about "entitled to be maintained by him at the time of his death and for a reasonable time previously thereto." Have you any interpretation of the "reasonable time" or is that left to the discretion of the commission entirely?

Brigadier MELVILLE: It is left to the commission, and it is very broadly and very generously interpreted.



Some Hon. MEMBERS: Carried.

Mr. BENTLEY: No, not yet. Would this woman have any legal claim as regards pension rights on the second mate, or however you would choose to describe the individual?

Brigadier MELVILLE: Had she been living with and being maintained by that member of the forces prior to his enlistment, she would have had a claim for pension. But she was not. The member of the forces who was killed was married to this woman. It was after he proceeded overseas this union took place and the unfortunate circumstances developed.

Mr. BENTLEY: Then she would have no claim at all anywhere?

Brigadier MELVILLE: No.

Mr. BENTLEY: She would have no legal claim anywhere at all?

Brigadier MELVILLE: No.

Mr. SINCLAIR: If the second man had been killed, too, she would be absolutely out in the cold, so to speak?

Brigadier MELVILLE: She forfeited her right to maintenance when she took up residence with this other man and said she intended to have nothing further to do with her legal husband. The facts are very clear as established on the file.

Mr. CRUICKSHANK: But did you not just say that there was a child of the first marriage?

Mr. FULTON: There was no child.

Mr. CRUICKSHANK: If there had been a child, what would have happened?

Mr. FULTON: There was a child of the second marriage.

Mr. CRUICKSHANK: Wait a minute. I do not want legal advice just now. Suppose there had been a child of the first marriage. Is it correct that child would have been pensioned?

Brigadier MELVILLE: That child would have been pensioned.

Mr. QUELCH: If she had been living with this man prior to his enlistment, she would have been pensioned.

Mr. BROOKS: Not with her other husband living, surely.

Mr. QUELCH: As a common-law wife. I mean if her former husband had died and she had started to live with the second man prior to his enlistment, then she would have been eligible for pension as a common-law wife, would she not?

Brigadier MELVILLE: Yes, had she been living with him on a common-law basis for a reasonable time prior to his enlistment.

Mr. QUELCH: Six months?

Brigadier MELVILLE: Somewhere about that. I think the Dependents' Allowance Board has a term of one year.

Mr. SINCLAIR: I want to pursue my point a little further. If this second man had been killed and there was a child of that union, that child is a soldier's child, and yet you say there is no pension at all for that?

The CHAIRMAN: The child would get a pension.

Mr. SINCLAIR: Oh, no.

The CHAIRMAN: Oh, yes.

Mr. SINCLAIR: The child of the second man?

Mr. CLEAVER: The illegitimate child.

Mr. SINCLAIR: The illegitimate child. If that soldier had been killed, would that child have been pensioned?

Brigadier MELVILLE: Yes. Had the second soldier been killed and it was definitely established that he was the father of the child, pension would have been paid for the child.

Mr. SINCLAIR: The point I am interested particularly in is this. The authorities have said that there were a considerable number of illegitimate children, the alleged offspring of Canadian soldiers and American soldiers. What is the situation as far as they are concerned? Does the Canadian government do anything as far as they are concerned in the event of the putative father being killed?

Brigadier MELVILLE: Full investigation is carried out by the commission and reports are received; and if we are satisfied as to paternity, pension is awarded on behalf of the soldier's child.

Mr. SINCLAIR: I am glad to know that.

Mr. CRUICKSHANK: Is pension awarded to the mother of the soldier's child?

Brigadier MELVILLE: No, to the child.

The CHAIRMAN: Carried.

Brigadier MELVILLE: To the mother usually on behalf of the child, Mr. Cruickshank.

Mr. CRUICKSHANK: That is what I mean.

Mr. GREEN: There was one recommendation made to the committee with respect to this section, and it dealt with the case where a woman had gone through a form of marriage with a soldier but that marriage was invalid. Of course, that arises quite often because of people obtaining divorces outside of Canada, going over to Reno or to Washington or to any one of several other places to get a divorce. I think it was the recommendation that in a case of that type, section 32, subsection (3) should be amended to give the commission discretion to award a pension to the widow of a member of the forces who has died, when she has gone through a form of marriage in good faith but where such marriage has been declared invalid. Has that recommendation been put into effect? Is it contained here anywhere in these amendments? If not, I suggest that it should be.

The CHAIRMAN: That comes up in another section, of course, Mr. Green.

Mr. GREEN: It seems a very reasonable suggestion and I am just wondering if it has been included in the bill.

The CHAIRMAN: That comes up under another section.

Brigadier MELVILLE: Subsection (3) of the same section.

The CHAIRMAN: Subsection (3), yes. May we carry this particular subsection (1) (a)? That is what we are dealing with now. Is that carried?

Some Hon. MEMBERS: Carried.

(Subsection (1) (a) agreed to).

The CHAIRMAN: There is another subsection, or at least sub-paragraph (b) to section (1) providing that "no pension shall be paid to a widower of a member of the forces."

Mr. GREEN: I think we are all in favour of men and women being on an equal status.

Some Hon. MEMBERS: Hear, hear.

The CHAIRMAN: Well, you understand the reason for that, gentlemen.

Brigadier MELVILLE: The explanatory note gives it.

The CHAIRMAN: The explanatory note sets it out.

Mr. CLEAVER: Carried.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

(Subsection 1(b) agreed to.)

The CHAIRMAN: Then we come to subsection (2).

(2) Subsection two of the said section, as enacted by section sixteen of chapter twenty-three of the statutes of 1940-41, is repealed and the following substituted therefor:—

(2) Subject as in this Act otherwise provided, the widow of a member of the forces who was at the time of his death in receipt of a pension in any of the classes one to eleven, inclusive, mentioned in Schedule A to this Act or who, except for the provisions of subsection one of section twenty-nine of this Act, would have been in receipt of a pension in one of the said classes, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not.

(a) In the case of service during World War I, if she was married to him prior to the first day of May, 1944; and

(i) the death of her husband has occurred more than one year subsequent to the date of marriage, or

(ii) the death of her husband has occurred less than one year subsequent to the date of marriage and the Commission is of the opinion that he had at the date of such marriage a reasonable expectation of surviving for at least one year thereafter;

provided that in awards made to widows married on or after the first day of January, 1930, no payment shall be made hereunder for any period prior to the first day of May, 1944.

(b) In the case of service during World War II and in the case of service during peace time, if she was married to such member of the forces before he was granted a pension; provided that in cases in which marriage has taken place subsequent to grant of such pension, she shall be entitled to pension.

(i) if the death of her husband has occurred more than one year subsequent to the date of marriage, or,

(ii) if the death of her husband has occurred less than one year subsequent to the date of marriage and the Commission is of the opinion that he had, at the date of such marriage, a reasonable expectation of surviving for at least one year thereafter;

and further provided that no payment shall be made under this subsection from a date prior to that from which pension is payable under the provisions of section thirty-seven of this Act."

That provides for the definition of World War I and also provides for this date line of 1st May, 1944. Mr. Mutch cannot be back until Thursday. He is very interested in this date line question, and another colleague of ours in the House of Commons wanted to make a representation in respect to these date lines. I wonder if we could leave all these sections having to do with date lines until Thursday or Friday. Is that satisfactory?

Some Hon. MEMBERS: Agreed.

Mr. PEARKES: Mr. Chairman, may I raise a question, although it is only a small point, on World War I again? I notice in the definitions in the Act there is no reference made to World War I or World War II but they give the definitions of the great war and the war against the German Reich. If you want to change that, will you not have to change the definition?

The CHAIRMAN: That is carried on page 2 of the draft of the proposed bill; World War I and World War II are defined there.



Mr. BROOKS: Mr. Chairman, frankly I do not see any reason why we should let this section stand over till Thursday or Friday. What more information has Mr. Mutch or some member of the House of Commons than any member of this committee? Surely we are capable of dealing with this particular point without having to wait for two or three days for one member of the committee. If it were someone from outside who had some special representation, there might be some justification; but I do not think there is any justification for the present suggestion.

Mr. CRUICKSHANK: Mr. Chairman, may I just say a word there. I just left the hon. member who has been referred to; that is Mr. Maybank of Winnipeg. I do not care about the member of the committee; he should be here. But when one of our colleagues in the House, Mr. Maybank, is very anxious to speak about this matter, I do not think it would hurt to give him an opportunity. As a matter of fact, I think it would strengthen our hand in getting some recommendations through the government if we have a non-member of the committee make representations.

Mr. HERRIDGE: I agree with that.

The CHAIRMAN: The reason I suggested waiting was that I do not think we will get through with the Act until Friday, and I do not think we would lose any time in the committee by adopting the course I suggested.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: We have clause (b)—that does not raise the date line—at the bottom of page 6. That introduces World War II. What is the reason for that, Brigadier Melville, at the bottom of page 6? Is it just World War II instead of war with the German Reich?

Brigadier MELVILLE: It is to conform with the changes already agreed to.

The CHAIRMAN: Carried?

Some Hon. MEMBERS: Carried.

(Subsection (2) (b) agreed to.)

The CHAIRMAN: Then on page 7 there is a date line which comes in there, so we will let that stand.

Mr. GREEN: You are leaving section 32. What about section 12 (a)?

The CHAIRMAN: Just a minute. There is a proposed change on page 2 of the proposed amendments which provides for another suggestion of the minister's.

12. (a) Section thirty-two of the said Act, as enacted by section thirty-three of chapter forty-three of the statutes of 1919 and amended by section sixteen of chapter twenty-three of the statutes of 1941, is further amended by repealing subsection four thereof and substituting the following therefor:—

- (4) A woman who has been divorced, legally separated or separated by agreement from a member of the forces who has died shall not be entitled to pension unless she was awarded alimony or an alimentary allowance, or is entitled to an allowance under the terms of the separation agreement, in which case she shall be entitled, if she is in a dependent condition, to the equivalent of the widow's pension or to the equivalent of the alimony or alimentary allowance which she was awarded, or of the allowance to which she is entitled under the terms of the separation agreement, whichever is the smaller in amount; provided that when such amount is smaller than the widow's pension it may, in the discretion of the Commission, if such woman is in a dependent condition, be increased to an amount not exceeding the rates set forth in Schedule B to this Act.

Under the Act as at present in force, when a separated or divorced wife survives her husband and is eligible for widow's pension, the maximum rate payable shall be the amount of the widow's pension or of the alimony or alimentary allowance, whichever is the smaller in amount. The amendment gives the commission discretion to pay the full widow's pension if the woman is in a dependent condition.

Sometimes at the time of the divorce the husband was in straitened circumstances and a small allowance was made, and they might have expected had he lived to have had that allowance increased. So this gives the pension commission a chance to give the full amount of the widow's pension if they desire to do so, regardless of the alimentary allowance given by the court.

Mr. CRUICKSHANK: What is the difference between alimony and alimentary allowance?

An Hon. MEMBER: It is the same thing.

The CHAIRMAN: Well, I think in the United States when they have alimony it is more than they need to live on.

Mr. FULTON: What is that?

Mr. HERRIDGE: Something to do with digestion.

The CHAIRMAN: Is that carried?

Mr. BENTLEY: Mr. Chairman, do you mean that alimony is all they can get out of them, and alimentary allowance is what they need to live on?

The CHAIRMAN: Alimentary allowance is what they are given to live on and alimony is what they can get out of the courts, as I understand it.

Brigadier MELVILLE: A few words of explanation to the committee might help. The commission has found in a number of cases the alimentary award has been very low, \$30 or \$40 possibly because, at the time the judgment was rendered, the man did not have any income or any substantial income, shall I say. All that this recommendation or this amendment provides for is to give the commission discretion to increase to the maximum rate which is provided in the schedule. But I do suggest before it be passed, a slight correction. If you look at the words underlined in 12 (a) "provided that when such amount is smaller than the widow's pension it may, in the discretion of the commission," and then delete "if such woman is in a dependent condition" and continue "be increased to an amount not exceeding the rates set forth in schedule B to this Act" that is the way I suggest it should read. The reason for the deletion is that "being in a dependent condition" is already provided for in the section.

The CHAIRMAN: Is that carried?

Mr. GREEN: There is one thing about that, Mr. Chairman. In some cases it is not customary to apply for alimony, particularly where the husband has not got any money. It is just a waste of legal costs for the wife to apply for alimony in that case. In our province it means making application subsequent to the trial. You cannot do it at the trial. Would it not be wise to give the commission discretion to pay that money even though no order has been obtained for alimony? I know it is very awkward to comply with the terms of this section because the woman has to go back to the court and make an application for alimony, which costs her a lot of money, and where the husband is in poor circumstances the order made is generally very small, and it is of no practical use because it cannot be enforced. It is very difficult to enforce in British Columbia unless you put the husband in jail, and even then he quite often does not pay. I wonder if it would not be wise to give the commission a little wider discretion under that?

Brigadier MELVILLE: We are dealing with the case of a woman who has been divorced, legally separated or separated by agreement.

Mr. GREEN: There are practically no legal separations in the common law provinces, I think. They are either by divorce or separation agreement.

Brigadier MELVILLE: I will have a lawyer reply to that. Commissioner Conn, will you answer Mr. Green?

Mr. CONN: I think the chairman had the matter very well in hand when he said we are dealing with a certain type of woman. This is not the type where a man and his wife have had a disagreement and he walked off. This is the type where they have gone through some legal formality; or in other words they have separated, and definitely separated. These various words are put in there—frankly, I myself am not any too clear as to just what a legal separation means. But we take a legal separation to mean where they have gone before their lawyer, had an agreement drawn up and the terms are set out.

Mr. GREEN: That would be separated by agreement.

Mr. CONN: That would be separated by agreement. The other point is where they have gone to the court, the divorce has gone through and alimony has been awarded. The suggestion that you have made, Mr. Green, carries rather a broad implication there. The commission, not being a party to the divorce, know very little about the facts. The judge in his wisdom has not seen the necessity of making an award of alimony. We are hardly in a position to do that.

Mr. GREEN: He does not do it at the trial. In our province he cannot do that at the trial. You have to go back again with a subsequent appearance in court. You cannot deal with alimony at the trial.

Mr. CONN: Right. Just look at the wording here.

The CHAIRMAN: Of course, what Commissioner Conn is getting at is this. Suppose the judge has actually decided on the matter and said that the person under the circumstances was not entitled to alimony due to her conduct. How are you going to guard against giving that person the right to come and have the country give her a widow's allowance when, in the divorce proceedings, they may have found that she was entitled to no consideration or assistance whatever.

Mr. SINCLAIR: That is not Mr. Green's point at all.

The CHAIRMAN: Yes, I think it is.

Mr. SINCLAIR: No. As a member of the committee, may I say that Mr. Green's point is that in British Columbia if a divorce is granted, a woman must again hire a lawyer to get alimony in a separate action. But if her husband is worthless, there is no point in her getting a judgment for alimony, when she knows she cannot get it.

The CHAIRMAN: How are you going to differentiate between that case and the case where the lawyer studies the case and knows there is no use; where, owing to the conduct of the wife, it would not be granted?

Mr. CRUICKSHANK: What does it mean by legally separated? Would not a judge's divorce cover legally separated whether there is alimony or not?

Mr. GREEN: No. The trouble with this section is that first of all a woman has got to get a divorce which means going to court, or she has got to get a legal separation, which again means going to court and paying just as much as getting a divorce and does not entitle her to remarry, so it is not used, or is very seldom used. In the third place, there can be an agreement with the husband drawn up between the lawyers. In many cases they cannot reach agreement. They simply will not agree at all. So she would have to go and get a divorce. Then after she has got a divorce, she is not entitled to any treatment under this section. Then she has to go back again and get an alimony order.

Mr. CRUICKSHANK: May I ask a question there, Mr. Chairman? I am asking for information. She has got a divorce. Surely that constitutes a legal separation?



Mr. GREEN: It says here, "has been divorced." In so far as that is concerned, she is under this section. But if you will read the section, it goes further and says that she "shall not be entitled to pension unless she was awarded alimony." That means she has got to go back to court a second time to get alimony. I am just asking if it is not possible to do away with that second step in the necessitous cases, in the case where there is necessity; in fact, in all these cases the women must be in dependent circumstances.

Mr. CONN: Quite, yes.

Mr. GREEN: I am suggesting that the commission should have a little wider power because I have had cases where the widow loses out for a good many months until she goes to the expense of getting an alimony order which was of no use to her at all as far as getting money from the husband was concerned.

Mr. SINCLAIR: What does that cost, Mr. Green?

Mr. GREEN: It depends on the lawyer. Some lawyers might do it for nothing, to help her out. Other lawyers might charge as high as \$200 or \$300.

The CHAIRMAN: If the commission themselves think they can administer it, all that would be necessary there is to add "either entitled to alimony or would have been entitled to alimony." I do not think it would be very difficult to administer that. There is no doubt there must be cases like those Mr. Green mentioned where the man is absolutely worthless and treated his wife shamefully, but there is no use her getting anything but the divorce. She does not feel like going to the expense of preferring any claim to alimony when she knows the award would be worthless anyway. It is quite true she would be excluded under this section unless you said that it contain the words "entitled to or would have been entitled to alimony had she applied." It would mean they would have to look over the evidence in divorce cases. However, in a special case of merit and necessitous circumstances, I suppose there would be nothing wrong with that.

Mr. BROOKS: Would there be a danger there, if you put a clause like that in, of a man refusing, knowing that this clause was in and that the woman would be protected, and possibly she herself would not be keen in pressing the point if she knew that the government was going to pay her more money.

The CHAIRMAN: That is true. There might be a case where the woman knew that, if she pressed for alimony, evidence could be brought forward which would show she was not entitled to it at all, and she would not ask for it; knowing that at the time she did ask for it, that he is killed and the evidence then is not available to anybody.

Mr. FULTON: But at that time this section was not changed, and no woman would have made that decision not to apply on those grounds because she did not know that the section was going to be changed. So that is a very far-fetched argument, Mr. Chairman.

The CHAIRMAN: Oh, no. What I am saying is that a woman does not apply for alimony because she knows if she makes application, he can bring forward ample evidence that would show she is not entitled to it, and so she does not apply. Then if we put the duty on the commission, two or three years later, to give alimony to her, unless they can show she was not entitled to it, and the husband is dead and is not available, in that case you might get alimony that she was not entitled to by any stretch of the imagination, and get it from the country. That is the difficulty.

Mr. HERRIDGE: I am quite in sympathy with the view advanced by Mr. Green, and I think the majority of the committee are. But it has many aspects. I would move that this section be referred to the commission for redrafting, having in view the sentiment of the committee, to be presented at a later date.

Mr. GREEN: It should be borne in mind that the man has died. It is the widow, it is not the wife. She is now the widow. Her former husband has died. That should be borne in mind. I would suggest that the commission consider this section and this subsection, and also subsection (3) which was one of those referred to a few minutes ago.

The CHAIRMAN: You can see the point I make. A man might be divorced and go into the forces 10 years later and then get killed. At the time of the divorce everybody might have well known that she could not get alimony and was not entitled to it. Then he was killed and she comes along and is given full pension because the commission could not possibly then get the evidence which could have been brought forward at the trial.

Mr. GREEN: That would be a very exceptional case.

Mr. SINCLAIR: I am again asking for legal information. When a woman gets a divorce, does it not automatically follow that she gets alimony? But your point is that between the time of the divorce and say 5 or 10 years after the death of the husband, her conduct in that time would have been such as not to justify it?

The CHAIRMAN: Divorces are sometimes granted when both parties are at fault. In that event the court would say she was not entitled to alimony at all. But of course 10 years later that evidence would not be available. I think the suggestion to let it stand for the commission to look into is a good one, and that would cover your suggestion about these forms of marriage.

Mr. GREEN: Yes, in the Legion's recommendation.

The CHAIRMAN: Yes. There is one thing that I think you might explain to the committee, and that is why a person who goes through a form of marriage is not in as good a position, or why she could not be brought into as good a position as she is in under section (3). That only applies when they are living together before he goes into the forces.

Brigadier MELVILLE: I am not quite clear as to your point.

The CHAIRMAN: If a woman does not go through a form of marriage and is living with a man before he goes into the forces she can be pensioned if he is killed. Now, the suggestion of the Legion is that if she gets a divorce, say in the States, which may not be recognized in this country, and goes through a form of marriage after he is in the forces, and the man is killed, then you have no right to give her any pension at all, as I understand it; and the Legion's suggestion is that you should have discretion to award a pension although she was not legally married to a member of the forces who has died—you have a right to do it when she was living with him before he became a member of the forces. The suggestion is that the woman who married a member of the forces in good faith and subsequently found the marriage to be invalid receives no consideration at all. The suggestion is that you study that and make a submission to the committee.

Brigadier MELVILLE: We will be pleased to do that, Mr. Chairman.

The CHAIRMAN: Now, you have an amendment to section 33 that increases the amount to a parent to \$360.

13. Subsection two of section thirty-three of the said Act is repealed and the following substituted therefor:—

(2) In cases in which a member of the forces has died leaving a widow or a widow and children or orphan children entitled to pension in addition to a parent or person in the place of a parent who previous to his enlistment or during his service was wholly or to a substantial extent maintained by him, the Commission may, in its discretion, award a pension to each such parent or person not exceeding three hundred and sixty dollars per annum.

Would you explain that to the committee, Brigadier Melville?

Brigadier MELVILLE: When a veteran dies and leaves a dependent wife and/or children the commission pays pension on their behalf. If there is a dependent parent or parents the commission was limited by terms of the Act to payment not exceeding \$180 a year. The commission made representations and provision was made by order in council whereby the amount that could be paid to a parent or parents was increased to \$360 each. In other words from \$180 to \$360 per annum. That is in cases where pension is also in payment on behalf of a wife and/or children. If there is no pension awarded for a wife and/or children then a parent may receive pension up to a maximum of \$60. Where there are two parents there is a maximum of \$75 subject to the provisions of the Act. So that the amendment that is before you now is to increase the amount to a dependent parent from \$180 to \$360 per annum.

Mr. PEARKES: How does that affect the old age pension? Suppose these people were of that age and suppose the means test were removed, could they get the old age pension as well as this?

Brigadier MELVILLE: No, the commission notifies the old age pension authorities in every case of the award which has been made. I say that the parents naturally are most anxious that any benefit that accrues to them would come as a result of the service of a son, and they would much rather receive the benefits from that source than from old age pension. So we therefore notify the authorities and it is the responsibility then of the provincial authorities to make such adjustment, if any, in their award as may be indicated.

Mr. CLEAVER: We are looking toward the future. As I understand the question it is this: if the Old Age Pension Act is amended and the means test is removed and if everybody over seventy gets a pension of \$30 a month, would that condition put this dependent parent in the position that he is no longer a dependent parent and consequently could not qualify as a dependent parent under the Pension Act?

Brigadier MELVILLE: No, they would be eligible for consideration under the Pension Act in the first instance, and the old age pension authorities may award a modified rate by virtue of the pension which is paid.

Mr. CLEAVER: I have not made myself clear. The shoe is on the other foot. We are looking to the future. The pensioner is receiving \$360 a year, without the means test, as an old age pensioner; is that parent a dependent parent and could that parent then come forward and ask for a pension of the Pension Commission as a dependent parent?

Brigadier MELVILLE: Yes.

The CHAIRMAN: The wording of the Act is clear: a parent does not have to be in necessitous circumstances. Shall the amendment carry?

Carried.

The CHAIRMAN: Section 37 of the Act. This is the deadline section so we will let it stand.

Now, Brigadier, you have an amendment which you circulated this morning with regard to section 46, have you?

Brigadier MELVILLE: 45 and 46.

The CHAIRMAN: Has that been circulated to the committee?

Brigadier MELVILLE: Not yet.

The CHAIRMAN: We will circulate it now. You will have a third document to refer to. The commission has made another try to simplify these two sections, 45 and 46.

Mr. BROOKS: I had an idea that you could strike out 46(b) and put in a few words in 46(a).



Mr. CRUICKSHANK: If this simplifies it, it must have been very bad before.

The CHAIRMAN: Mr. Cruickshank, you will be able to understand it at once, I am sure.

The following section is suggested in lieu of Sections 45 and 46 of the present Act, and sections 14(a) 14(b) 14(c) and 14(d) in the suggested amendments in the draft bill.

Sections 45 and 46 of the said Act as enacted by sections 18 and 19 of chapter 23 of the statutes of 1941, are repealed and the following is substituted therefor:—

45. The benefits of this Act, in so far only as the same or equivalent benefits are not provided under the laws or regulations of members of the British Commonwealth of Nations, other than the Dominion of Canada, or under the laws and regulations of the several countries allied with His Majesty, shall be conferred upon all persons domiciled in Canada on the date of commencement of World War I, who, subsequent to that date, have served in the naval, military or air forces of any of the said members of the British Commonwealth of Nations, or in any of the aforesaid forces of any of the countries allied with His Majesty, and who, while so serving during the said war have suffered disability or death in respect of which a gratuity or pension has been awarded under the laws or regulations of any of the aforementioned countries; and the widows, children and other dependents of such persons shall be entitled to the benefits of this Act in so far as the same or equivalent benefits are not provided in respect of them under the laws or regulations of any of the aforementioned countries; provided that payments may be made under the provisions of this section only to such persons as are residents of Canada and during the continuance of their residence therein; and further provided that no payments may be made under these provisions in respect of any period prior to June first, one thousand nine hundred and forty-six."

The said act is further amended by adding thereto the following section immediately after 46(a) thereof:

46(b). In the consideration of any claim or the authorization of an award under the provisions of any of the three sections next preceding, the Commission shall require the applicant or pensioner to take all or any steps to claim payment or additional payment under the laws or regulations of the several countries by authority of which the original grant of pension was made, or under the terms of any agreement which may have been or may hereafter be made with any of the countries concerned.

Subsection three of section twenty-four of the said Act, as enacted by section fourteen of chapter 23 of the statutes of 1941, is repealed and the following substituted therefor:—

24.(3) Pensions for disability resulting from pulmonary tuberculosis when during the treatment of a member of the forces the presence of tubercle bacilli has been discovered in the sputum or it has been proved that the disease is moderately advanced and clinically active, shall be awarded and continued as follows:—

(a) In the case of a member of the forces who served in a theatre of actual war and whose disease was attributable to or was incurred or was aggravated during service, *either during World War I or World War II*, and in the case of a member of the forces who did not serve in a theatre of actual war whose disease was incurred during service during *either of the said wars*, a pension of one hundred per

cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;

- (b) In the case of a member of the forces who did not serve in a theatre of actual war whose disease was aggravated during service, *either during World War I or World War II*, a pension of ninety per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;
- (c) In the case of a member of the forces who has seen service in peace time whose disease occurred on service and arose out of or was directly connected with such service, a pension of one hundred per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;
- (d) In the case of a member of the forces who has seen service in peace time, whose disease was aggravated during service and the aggravation arose out of or was directly connected with such service, a pension of ninety per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;

Provided that after the expiry of two years no pension awarded in respect of pulmonary tuberculosis shall be reduced by more than twenty per cent at any one time, nor shall reductions be made at intervals of less than six months; and that the provisions of paragraphs (b) and (d) of this subsection shall not apply if the disease manifested itself within a period of three months after enlistment.

Brigadier MELVILLE: Sections 45 and 46 of the Pension Act provide for the supplementation of pension to Canadians who were domiciled in Canada prior to their enlistment in World War I, who served during that war and who returned to Canada. The award which they receive from their own government may be supplemented to Canadian rates upon their return to Canada and during the term of their residence therein.

Sections 46(a) and 46(b) make similar provision for World War II. An order in council was passed as a result of deliberations of this committee last year which broadened the provisions of this supplementary pension to those who had served in World War II. The Act as it existed at that time made provision for Canadians who had served in the forces of the United Kingdom and Northern Ireland. The Act was broadened by the Order in Council to include all Commonwealth forces and those of His Majesty's allies. The purpose of the amendment now before you for consideration is to extend the same benefits to all Canadians who had service in World War I with forces other than those of Canada. The commission did submit for your consideration draft amendments. Since that time we have had discussions in an endeavour to simplify the Act and to consolidate in one section the provision for the supplementary benefits, and that is now contained in the amended draft which is before you. Very briefly it is this: that a Canadian or a person domiciled in Canada prior to his enlistment in World War I, who served in the forces of the United Kingdom, in the Commonwealth, or His Majesty's allies, and who receives a gratuity or award of pension from either of these governments which is less in extent than that to which he would have been entitled had he served in the Canadian forces will have these awards supplemented to Canadian rates. It provides for other benefits which are probably peculiar to Canada. There is the beneficial legislation we have in favour of the tuberculous; there is provision in Canadian legislation for wear and tear on clothing allowance.

His Majesty's government recently awarded a clothing allowance, or made provision for a clothing allowance, but not to the same extent as Canada has. There is the provision in the Pension Act to-day whereby on the death of a pensioner who was in receipt of a pension in classes 1 to 11—in other words, 100 per cent to 50 per cent—irrespective of the cause of death—his widow is entitled to pension under the provisions of section 32(2) of the Pension Act. The widow is, of course, always entitled to a pension if death was attributable to service; but the provision I mention with regard to classes 1 to 11, that is the pensioner from 50 to 100 per cent, does not apply in the British scheme or in any of the other governments. The intention of this amendment is that the beneficial legislation in the Canadian Pension Act be extended to include all those Canadians who served in the forces other than Canada during World War I.

Mr. KIDD: When was the rate reduced from 55 to 50 per cent—approximately a year ago?

Brigadier MELVILLE: There was no reduction from 55 to 50 per cent. Originally death had to be attributable to service. Then that was widened, and the original Act provided that where the pensioner was in receipt of a pension of 80 per cent or more his widow would be entitled to a pension irrespective of the cause of death. His disability was so severe that the 80 per cent was considered to be bound to have a material effect. The amendment which brought in clauses 1 to 11, down to 50 per cent, came in 1939.

Mr. GREEN: Why do you put in those words: "... further provided that no payments may be made under these provisions in respect of any period prior to June 1, 1946"?

Brigadier MELVILLE: The same as has been done with the restoration of the insurance principle. The fact that the chief treasury officer will require to give effect to these decisions in the implementation of payments from the date of enactment. I suggest, Mr. Chairman, that there might be broken periods which would be involved. If this is not enacted until some time in June it will be retroactive to the first day of June. It will be beneficial, I suggest, and the commission had that in mind.

Mr. GREEN: Were these benefits not covered by order in council?

The CHAIRMAN: No, some of them are not. Take a person below the rank of warrant officer, he did not get the benefit of this improvement in our Act, and this is a new departure not covered by order in council. A person below the rank of warrant officer will get all the benefits of implementation, whereas before he did not. Also there is the right of pulmonary t.b. pensioners and the right of severe gun shot wound cases to automatic increase of pension at 55, 57 and 59 years old; they did not have that right if they were below the rank of warrant officer. These are new clauses which are not covered by order in council and we put it in as the 1st of June. Then, of course, when the Act comes into force it will go back to that date. Is that satisfactory?

Carried.

The CHAIRMAN: 46(b): this puts the obligation on the soldier to take steps to claim whatever he is entitled to from the government he serves, which seems quite reasonable.

Mr. GREEN: 46(a) is not touched?

Brigadier MELVILLE: 46(a) stands as in the Act.

The CHAIRMAN: 46(b) is at the bottom of the page and reads as follows: "In the consideration of any claim or the authorization of an award under the provisions of any of the three sections next preceding, the commission shall require the applicant or pensioner to take all or any steps to claim payment or additional payment under the laws or regulations of the several countries by



authority of which the original grant of pension was made, or under the terms of any agreement which may have been or may hereafter be made with any of the countries concerned."

Mr. BROOKS: What effect does that have on the South African nurses?

The CHAIRMAN: Brigadier Melville, you will remember the question came up with regard to South African nurses where they could not get entitlement in South Africa?

Brigadier MELVILLE: I suggest that maybe one of the members of the subcommittee might reply to that, Mr. Chairman; I was only there as a witness.

The CHAIRMAN: There is nobody here from that subcommittee. Somebody told me that after they fully discussed the questions involved they decided to let the matter rest on them getting entitlement in the first place; otherwise it would mean our attempting to review decisions of South Africa and Great Britain and so on and lead to difficulty.

Mr. BROOKS: As it stands at the present time, they were not members of the South African military forces, were they?

The CHAIRMAN: They will get the same benefits as are provided here.

Mr. BROOKS: They will get the difference? This section provides that they get the difference between what they would get from the force in which they served and what they would get had they served in the Canadian forces.

The CHAIRMAN: Yes.

Mr. BROOKS: But if they served in South Africa and were not considered members of the South African forces?

The CHAIRMAN: The bill will say that for the purpose of pension they shall be deemed to be members.

Mr. BROOKS: So long as they are looked after.

Mr. GREEN: Sections 45, 46 and 46(a) are all of no effect unless the applicant has first established right to pension in another country?

The CHAIRMAN: That is right; and there has been some consideration given to see if that could not be broadened, but it was felt it would mean we were attempting something in the way of appealing from decisions of the British Ministry of Pensions; particularly it was felt that this other system has worked so well that we should not interfere with it.

Mr. KIDD: Are these clauses applicable to the permanent force soldier as well as to the non-permanent force soldier? For instance, a warrant officer came to see me last week-end. Now, he is entitled, I think, to a pension by right after fifteen years' service; he is also entitled after six years in the present service to a disability pension: will he have the privilege of going to the Veterans' Bureau for assistance if his pension is not satisfactory?

Brigadier MELVILLE: Yes, that is quite clear. The member of the forces to whom you refer is entitled to a service pension by virtue of his length of service with the permanent force; in addition to that he is claiming a disability as having been incurred during his active war service; is that the case?

Mr. KIDD: Yes.

Brigadier MELVILLE: He is entitled to go ahead the same as any other member of the forces.

Mr. KIDD: And then if he is not satisfied he has the same advantages as the ordinary soldier not of the permanent force; he can enjoy the same privileges of going to the Veterans' Bureau if he is not satisfied?

Brigadier MELVILLE: Yes, quite.

Mr. KIDD: That is all right.

The CHAIRMAN: The Brigadier wishes to clear that whole situation with regard to these clauses.

Brigadier MELVILLE: Sections 45 and 46 of the Pension Act as it is to-day are now consolidated into section 45—the section which has received the concurrence of this committee—that is the amended one which is before you in this mimeographed copy. Section 46(a) of the Pension Act will now be section 46. Section 15 on page 8 of the proposed bill which deals with 46(b) will become 46(a). That section is the one which extends the benefits to members of the commonwealth and allied forces. 46(b) will be this amendment on the bottom of the mimeographed sheet which is before you.

The CHAIRMAN: Now, as a matter of fact, gentlemen, we are agreed on the principles here and we will have this bill reprinted before we report it to the House so that the numbering can be worked out. I thought we had carried the section for both wars. Page 8, section 15, covers the second world war and extends the benefits. That embodies in legislation the order in council which was passed as the result of our recommendation. Is that carried? That will be 46(a).

Carried.

The CHAIRMAN: Now, then, just to complete this mimeographed copy, this is a redrafting to introduce the terminology of World War I and World War II, and so far as I can see that is the only change except that you put in "and" in the third last line and two paragraphs are left out which are no longer of value. Can you explain that?

Brigadier MELVILLE: This has resulted from the restoration of the insurance principle. Paragraphs (c) and (d) of section 24(3) of the Pension Act are now deleted. That is the section providing pension for pulmonary tuberculosis. Sections (c) and (d) deal with disability incurred during the war with the German Reich "arose out of", etc. These sections are no longer necessary on account of the restoration of the insurance principle, so sections (c) and (d) are deleted. The commission recommend the deletion of the whole of 24(3) and the substitution of the one now before you.

The CHAIRMAN: It does not change the actual law as it is at present?

Brigadier MELVILLE: It makes no change whatever in the law as it stands. Carried.

Brigadier C. B. TOPP: Mr. Chairman, when speaking previously I omitted to mention that during Commissioner Conn's evidence the other day an implication was left which we feel to be in error regarding something the Veterans' Bureau had done. I have drawn that to the attention of the chairman and to Mr. Conn and would be very grateful if it could be corrected.

The CHAIRMAN: That can be done on Thursday, then. Or can you do it in a moment now?

Mr. CONN: I can do it now, I think.

The CHAIRMAN: Very well.

Mr. CONN: I am very sorry if there has been any inference on the Veterans' Bureau in regard to the remarks I made on this "wilfully concealed" principle to which Brigadier Topp has referred. This is a matter of recollection with me, that in the early stages of the war, sometime around 1941 or 1942, there was a conference between the Veterans' Bureau and the Chairman of the Canadian Pension Commission, the late General McDonald. Brigadier Topp and myself are labouring under the same disability; neither of us was at that conference. The information which is contained here is only what I have gathered from a memorandum at present on file over the signature of the late General McDonald. You will notice the wording is a little vague here.

I say nothing definite in regard to representations by the Veterans' Bureau in regard to this principle because, as I say, I was not present at that conference. But I have checked what I have said with the record, which I did not have before me when I was making those remarks, and they are confirmed by this memorandum over the signature of the late General McDonald, as I have mentioned. That is all I can say in regard to that.

The CHAIRMAN: What was this about? What is the complaint about? I am not clear about that, and I do not know whether the committee are.

Some Hon. MEMBERS: No.

The CHAIRMAN: Perhaps it would be better to have this explained on Thursday because then these gentlemen can get together and make a statement.

Brigadier MELVILLE: Maybe I can clear it up now. I do not think it is anything we wish to labour. The point arose with regard to the use of the term "wilful concealment". The commission for a time did not use the word "wilful" and used "concealment" which was irregular, not in accordance with the Act, after which we reverted to our practice and used the term "wilfully concealed". Brigadier Topp will bear me out that is the point.

Brigadier TOPP: Yes. It should be amongst the last there, Mr. Chairman. Commissioner Conn implies that we suggested to the commission that they omit the word "wilful". We did nothing of the sort and argued very strongly that the omission of the word could not be used as a basis for pension.

The CHAIRMAN: Commissioner Conn says he was basing his remarks on the memorandum; that is all there is to it.

Mr. CONN: That is all there is to it.

Some Hon. MEMBERS: Carried.

The committee adjourned at 1 p.m. to meet again on Thursday, May 30, at 11 o'clock a.m.



as Doc  
Can  
com  
✓  
A1  
(C2)  
45121

Canada. Veterans Affairs, Spec.  
Bill No. 1946

THE ROYAL CANADIAN MOUNTED POLICE  
JUL 10 1946  
JUL 10 1946

SESSION 1946  
(HOUSE OF COMMONS)

(SPECIAL COMMITTEE)

(ON)

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 24

THURSDAY, MAY 30, 1946

WITNESSES:

Mr. Ralph Maybank, K.C., M.P.

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the  
Chairman, Canadian Pension Commission;

Mr. Richard Hale, Chief Pension Officer, Canadian Legion of the B.E.S.L.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946

LIBRARY  
APR 14 1947  
UNIVERSITY OF TORONTO



## MINUTES OF PROCEEDINGS

THURSDAY, May 30, 1946.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Baker, Belzile, Brooks, Cleaver, Cruickshank, Emmerson, Fulton, Gillis, Green, Harris (*Grey-Bruce*), Herridge, Jutras, Kidd, Lennard, Marshall, Mackenzie, MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Winters, Wright.

*In attendance:* Mr. Ralph Maybank, M.P.; Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission; Mr. Richard Hale, Chief Pension Officer, Canadian Legion of the B.E.S.L.

It was agreed that the committee consider the question of housing for veterans, and small holdings under The Veterans' Land Act, 1942, on Monday, June 3rd.

Consideration of the draft of the proposed bill to amend the Pension Act was resumed.

Mr. Melville was recalled, furnished the Committee with certain information requested at previous meetings and was questioned thereon.

Clause seven was amended by the addition of the words *In respect of the military service rendered in the non-permanent active militia or in the reserve army during World War II* and immediately before the words *in respect of* in the third line thereof.

Clause seven, as amended, was adopted.

Clause five was deleted and the following substituted therefor:—

5. Subsections three, seven and nine of section three of the said Act as enacted by section two of Chapter forty-four of the Statutes of 1936 are repealed and the following substituted therefor:—

(3) The Governor in Council shall appoint one of the Commissioners to be Chairman and another of the Commissioners to be Deputy Chairman of the Commission.

(7) The Chairman shall be paid a salary of nine thousand dollars per annum, the Deputy Chairman shall be paid a salary of seven thousand five hundred dollars per annum and each of the other Commissioners, including *ad hoc* Commissioners, shall be paid a salary at the rate of seven thousand dollars per annum; such salaries shall be paid monthly out of any unappropriated moneys forming part of the Consolidated Revenue Fund of Canada.

(9) (a) The Chairman of the Commission shall have the rank and the powers of a deputy head of a department for the purposes of this Act and shall have control and direction over the disposition of and duties to be performed by the other Commissioners and shall have control over the duties to be performed by such staff as may be assigned to the Commission by the Department.



(b) In case the absence of the Chairman or his inability to act, the Deputy Chairman shall exercise the powers of the Chairman for him or in his stead, and in such case, all regulations, orders and other documents signed by the Deputy Chairman shall have the like force and effect as if signed by the Chairman.

(c) Whenever the Deputy Chairman appears to have acted for or instead of the Chairman, it shall be conclusively presumed that he so acted in the absence or disability of the Chairman within the meaning of Paragraph (b) of this section.

(d) When the Chairman deems it necessary for the more speedy and convenient despatch of business he may, in writing, delegate to the Deputy Chairman, from time to time, the performance of any of the duties imposed upon him under the provisions of this Act or arising out of the administration of the same, and when the performance of such duties has been so delegated, the performance thereof shall have like force and effect as if performed by the Chairman.

Clause five, as amended, was adopted.

Clause seventeen was deleted and the following substituted therefore:—

17. Section thirty-two of the said Act as enacted by Section thirty-three of Chapter forty-three of the Statutes of 1919 and amended by Section sixteen of Chapter twenty-three of the Statutes of 1941 is further amended by repealing Subsection four thereof and substituting the following therefor:—

4(a) A woman who has been divorced, legally separated by agreement from a member of the forces who has died shall not be entitled to pension unless she was awarded alimony or an alimentary allowance, or is entitled to an allowance under the terms of the separation agreement, in which case she shall be entitled, if she is in a dependent condition, to the equivalent of the widow's pension or to the equivalent of the alimony or alimentary allowance which she was awarded, or of the allowance to which she is entitled under the terms of the separation agreement, whichever is the smaller in amount; provided that when such amount is smaller than the widow's pension it may, in the discretion of the Commission, be increased to an amount not exceeding the rates set forth in Schedule B to this Act.

(b) Notwithstanding anything contained in paragraph (a) of this subsection, when a woman has been divorced from a member of the forces, and such woman is in a dependent condition, the Commission may, in its discretion, award such pension not exceeding the rates set out in Schedule B to this Act, as it deems fit in the circumstances, although such woman has not been awarded alimony, if in the opinion of the Commission, she would have been entitled to an award of alimony had she made application therefor under due process of law.

Clause thirteen was amended by the deletion of the words *provided that payment hereunder may only be made in respect of awards made on or after the first day of January, 1945*, after the word *ensue* in the eleventh line thereof.

On motion of Mr. Pearkes, sub-clause two of clause fifteen was amended by the deletion of the words *she was married to him prior to the first day of May, 1944*; and following the word *if* in the fourteenth line thereof.

Clause fifteen, as amended, was adopted.

Mr. Maybank was called, heard in respect to section twenty-seven of the Pension Act and retired.

On motion of Mr. Mutch, it was resolved that any further applications from members of the House to be heard by the committee be referred to the steering committee.

Mr. Hale was recalled, made a statement clarifying the recommendation of the Canadian Legion respecting subsection three of section thirty-two of the Pension Act and retired.

Clause sixteen was amended by the deletion of the words *she was married to him prior to the first day of May, 1944, and* following the word *if* in the tenth line thereof.

Clause sixteen, as amended, was adopted.

At 1.00 o'clock p.m., the Committee adjourned until Friday, May 31, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*

#### ERRATUM

Minutes of Evidence, Friday, May 24, 1946: page 629, line 41, read *entitlement* for *enlistment*.





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 30, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: In regard to the matter brought up by Mr. Fulton in the House, may I say that the departmental officials are working on an explanation of the whole situation in regard to the small holdings branch of the Veterans' Land Act, with a view to laying it before the committee. They will have that ready by Monday. In order not to interfere with our regular agenda and if the committee were willing, it occurred to me that we could have a special meeting on Monday, hear the explanation in regard to that and discuss it. We could then proceed with our regular work on Tuesday. Is that preferable to actually dealing with it on Tuesday? It is a matter for the committee to decide. It is something that has just come up and the steering committee has not had a chance to consider it yet.

Mr. Ross: May I ask if the director will be here and if we will be able to question the officials all across Canada?

Hon. Mr. MACKENZIE: That is the idea.

Mr. Ross: Following along what Mr. Fulton said in the House yesterday on that question, I may say that I have had correspondence from other parts of Canada saying that there are certain difficulties in those sections. I think it is rather important that we should be able to question the director and his officials very fully.

Hon. Mr. MACKENZIE: That is entirely agreeable.

The CHAIRMAN: The director will not necessarily have his officials here but he is getting information so that he can fully explain the matter, and he will be here himself. If there is anything further desired, of course the committee can so indicate.

Mr. FULTON: I would appreciate very much if the matter could be brought up on Monday because it is one of some urgency. I think it would probably be helpful if at the same time something could be said as to the effect of the recent announcement of the co-ordination and the appointment of Mr. Flahiff. We have not yet seen any order and nothing has been said on that beyond the bare announcement. We should like to know how it is going to work and to whom in the future we should look in these matters.

Hon. Mr. MACKENZIE: That is quite right.

The CHAIRMAN: Is that satisfactory, to hold a special meeting on Monday?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Then that is carried. Brigadier Melville has several statements to make in regard to various sections which have stood over for this explanation from him.

Brigadier MELVILLE: Mr. Chairman and gentlemen, I have made a close personal review of the printed proceedings of this committee covering the last few sessions, and I find that there are probably one or two questions which arose regarding which I did not explain quite as fully as I might have done. Action was pretty fast sometimes and other discussion developed. I want to be sure that the members of this committee have full information.

Mr. Cleaver made enquiry last Tuesday regarding the award of pension which would be paid to a dependent parent in certain circumstances. For the information of this committee I might state that awards to parents are provided in section 33 of the Act and very briefly the situation is:—

(a) Pension may be awarded on behalf of a parent or parents of a deceased member of the forces provided the parents are in a dependent condition and were to a substantial extent supported by the member of the forces at the time of death. Section 33(1).

There is a further provision, a very excellent and a very generous one, in the Pension Act, for prospective dependency.

Mr. GREEN: Will you explain that "prospective dependence"?

Brigadier MELVILLE: Prospective?

Mr. GREEN: Yes.

Brigadier MELVILLE: I think if I read this brief paragraph here, Mr. Green, it will explain the term.

Mr. GREEN: All right.

Brigadier MELVILLE: There is a further provision in the same section which provides for prospective dependency, section 33 (3).

(b) The commission may award pension to a parent or parents who are in a dependent condition provided, in the opinion of the commission, it would be reasonable to assume the son would have assisted in their support had he survived.

There is one other point, gentlemen. During the discussion which took place on Thursday, the 23rd instant, the question was raised by Mr. Brooks as to whether the amendment to sub-section (2) of section 11 of the Pension Act covered the non-permanent forces in war time.

The section in question is numbered 6(a) in the suggested amendments to the draft bill and the section was carried later on that day without amendment.

The commission carefully reviewed the proceedings and suggest for the consideration of the committee the advisability of amending the section to ensure that members of the non-permanent active militia, subsequently called the reserve army, who rendered peace time service during World War II are fully covered.

The proposed amendment would read:—

In respect of military service rendered in the non-permanent active Militia or in the reserve army during World War II and in respect of military service in peace time, pension shall be awarded to or in respect of members of the forces who have suffered disability, in accordance with the rates set out in schedule A to this Act, and in respect of members of the forces who have died, in accordance with the rates set out in schedule B to this Act, when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made arose out of or was directly connected with such military service.

The CHAIRMAN: That deals with the point raised by Colonel Brooks.

Mr. BROOKS: Yes. That covers the point very well.

The CHAIRMAN: That is satisfactory, then?

Mr. BROOKS: Yes.

Mr. PEARKES: May I ask a question on that point? Will that include Pacific coast militia rangers who were called out and who were doing valuable service during the war? They were not actually men of the militia, although they were

recognized as being part of the reserve army as B.C. or Pacific coast militia rangers. I feel that these men should receive the same consideration as men who were serving in the non-permanent army at other points, because their service was more hazardous than that of men in the reserve army.

Brigadier MELVILLE: It would be necessary for the commission to make full enquiry as to the status of the personnel that Mr. Pearkes has referred to. We will be very glad to do that. One criterion, I imagine, would be as to whether or not they were in receipt of pay and allowances during the period of service.

An Hon. MEMBER: No.

Hon. Mr. MACKENZIE: Equipment; that is all.

Mr. PEARKE: They received certain allowances. But I should be quite satisfied if the chairman of the commission would make full enquiry into that situation.

Brigadier MELVILLE: That will be done.

Mr. GREEN: There was another group who were called up under an order, I forget the number of it now. They acted as instructors in the training camps. They were still in the reserve army but were put on active service. Under which section would they come? Would they be covered by the insurance principle or would they come under this new subsection (2)?

The CHAIRMAN: They were placed on active service, because they have been getting a uniform allowance.

Hon. Mr. MACKENZIE: Yes, I think so.

Mr. GREEN: I should like to be sure they are not put back into subsection (2).

Hon. Mr. MACKENZIE: We will look into that.

The CHAIRMAN: I am satisfied that they were on active service. They were called up under the order you referred to.

Mr. BROOKS: Order 139. I think they were looked after.

The CHAIRMAN: You can check that, Brigadier Melville?

Brigadier MELVILLE: The commission will be glad to make further enquiry and report to the committee.

Mr. GREEN: Your proposed amendment refers, I think, to men in the non-permanent active militia. These men were in the non-permanent active militia but put on active service.

Hon. Mr. MACKENZIE: That is right.

Mr. GREEN: So I am afraid your amendment might include them, rather than allowing them to be treated as men on active service.

Brigadier MELVILLE: If they were on active service, then they are members of the forces and will be subject to the full provisions of the Pension Act.

Mr. GREEN: If you could make sure of their position, I should be glad if you would do it.

Brigadier MELVILLE: We will be pleased to do that.

The CHAIRMAN: That amendment is to cover the point raised by Colonel Brooks, to make sure that the non-permanent active militia who served during World War II are covered as well as those who served during peace time and reads as follows:—

In respect of military service rendered in the non-permanent active militia or in the Reserve Army during World War II and in respect of military service in peace time, pension shall be awarded . . . and so on.

May we take it that amendment is accepted to clause 6 (a) (2) putting in the non-permanent active militia and the reserve army.



Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Carried.

Mr. PEARKES: Subject to the possibility of including the Pacific coast militia rangers, if the chairman checks up and sees that they should be included.

The CHAIRMAN: Of course that can be brought up again and debated. If we find that they are not included, then of course we will have some statement as to their duties and so on, and before we report the bill—and I do not think we will manage to report it until to-morrow—we will have that information and the thing can be brought up again. There will be a statement given on it. May we carry it subject to that?

Some Hon. MEMBERS: Agreed

The CHAIRMAN: Carried.

Then there is a section in regard to salaries.

Mr. BROOKS: Mr. Chairman, before Brigadier Melville goes on with that there is something I should like to understand in connection with the section that he read just previously to that, about the brother or sister or dependent parent. I am not quite clear, in the case of a sister who is living with a brother keeping house for him and doing all the work necessary, and he dies, whether she would be entitled to a pension or any kind of assistance. I know in section 34, subsection (3) it says, "no pension shall be paid to or in respect of a brother over the age of 16 years or of a sister over the age of 17 years." There are many cases of older sisters who live with brothers and help them during their lifetime, and when the brother dies the sister is often left in pretty poor circumstances. I was wondering if there is provision for the sister in those circumstances.

Brigadier MELVILLE: No additional pension is payable on behalf of a daughter after she reaches the age of 17 unless she is pursuing higher education and is making satisfactory progress.

Mr. BROOKS: This was the sister.

Brigadier MELVILLE: Yes, I realize that. In the case of a son, the same conditions apply, only the strike-off date is 16 years. There is a provision in section 34 of the Act for brothers and sisters; Colonel Brooks has quoted section 34, subsection (3), which reads:—

No pension shall be paid to or in respect of a brother over the age of 16 years or of a sister over the age of 17 years.

That is why I quoted the additional allowance which was payable on behalf of a child, a boy or a girl. There is a further subsection (5) of the same section which reads:—

(5) When a brother over the age of 16 years or a sister over the age of 17 years is in a dependent condition and was wholly or to a substantial extent maintained by a member of the forces at the time of his death, such brother or sister may, in the discretion of the commission, be awarded a pension not in excess of the amount provided in schedule B for orphan children while such brother or sister is incapacitated by mental or physical infirmity from earning a livelihood.

The CHAIRMAN: Colonel Brooks was asking you as to the point where a member of the forces has his sister, we will say, acting as housekeeper for him and looking after his children and he dies: He wanted to know whether the pension can be continued to the sister in respect of keeping the home together. That is what you had in mind, I take it, Colonel Brooks?

Mr. BROOKS: Yes, I was referring to that.

The CHAIRMAN: Would you deal with that, Brigadier Melville?

Brigadier MELVILLE: There is provision in the Act for a housekeeper in such circumstances; where a daughter is old enough and has assume the responsibility of taking over the household duties in the event of the unfortunate death of the mother, or in the case of a person who assumes the same duties, additional allowance may be paid by the commission.

Mr. GREEN: That is only where there is a child?

Brigadier MELVILLE: Where there is a child, yes; or minor children.

The CHAIRMAN: Is that satisfactory?

Brigadier MELVILLE: I might say, gentlemen, that the Canadian Pension Act is very generous and very fair in the provision which is made for dependents, parents, brothers, sisters, and so on.

Mr. BROOKS: It would seem that the sister was not being treated in the same way as the others in that regard.

The CHAIRMAN: The sister could assume the position of housekeeper, could she not?

Mr. BROOKS: That is while the pensioner is living. She could assume the position of housekeeper then; but when he dies, she would only receive \$40 a month, or whatever was paid to an orphan, the same as an orphan.

Brigadier MELVILLE: As I say, provided a daughter assumes the household duties, or another person does so. It could be the sister. But if the sister of this member of the forces reaches the age of 17 and is physically fit, then surely the normal assumption is that she should be able to provide for herself.

Mr. FULTON: Not while she is looking after her home.

Brigadier MELVILLE: Oh, if she is looking after the home and does assume the responsibility of housekeeper for that home, and there are minor children, then consideration can be given on her behalf.

The CHAIRMAN: That is the point you had in mind?

Mr. BROOKS: If there are minor children?

Brigadier MELVILLE: Yes

The CHAIRMAN: Yes

Mr. GREEN: On that point, there was a recommendation made by the Legion which reads:—

Section 32, subsection (2) of the Pension Act provides that a pension shall be paid to a widow and children when any disability pensioner dies, while in receipt of pension in classes 1 to 11, regardless of the cause of death. The Legion considers this should also apply to other dependents the pensioner may have, such as parents or brothers or sisters as, otherwise, some dependents are pensioned while others cannot qualify.

#### *Recommendation:*

That sections 33 and 34 of the Pension Act be amended to provide for the payment of dependents' pensions to parents, brothers, or sisters, of the pensioner, when he dies while in receipt of disability pension in classes 1 to 11, regardless of the cause of death, and when the parents, brothers and sisters were being maintained by the pensioner prior to death.

Brigadier MELVILLE: The situation is this, that when a pensioner dies who is in receipt of a pension in classes 1 to 11—that is from 100 per cent down to 50 per cent—dependent of the cause of death his widow and children are pensionable as of right. They are the only ones who are provided for under those circumstances. Where death was attributable to service they are naturally entitled to pension independent of the rate of pension in effect. With regard

to parents, brothers and sisters and these other classes, pension may only be awarded subject to the provisions of the Act, provided they are in a dependent condition. In the case of a widow and the children of a pensioner, they get that as of right.

Mr. GREEN: It is automatic.

Brigadier MELVILLE: Yes. That is the distinction.

The CHAIRMAN: Would you go on, Brigadier Melville?

On a review of the proceedings for Thursday, May 23, I find a question was asked by Mr. Fulton, regarding the desirability or advisability of appointing so many commissioners for a 5-year period and that so many should rotate each 5 years, to which I did not reply very fully.

In my opinion such a system would not be advisable, nor would it be to the best interests of those we serve, the veterans and their dependents. The Pension Act is an involved statute; each commissioner is called upon to deal with questions of entitlement, assessment, dependency, legality of marriage, etc., etc., and has to carry out his judicial function as a member of the appeal boards. I have been in my present appointment for 2½ years and very humbly and sincerely I frankly state I learn something more about the Act and its administration each day. To my mind the present term of office of 7 years should revert to the original one of 10 years.

The CHAIRMAN: You remember, gentlemen, we had the clause on page 3 of the proposed bill, section 5, stand for a proposed draft to be worked out by the commission. Brigadier Melville has that draft ready now and a statement on it.

Brigadier MELVILLE: Section 5 on page 3 of the draft of the proposed bill contains an amendment to subsection (7) of section 3 of the Act. At the meeting of the committee on Thursday, the 23rd instant, the proposal was advanced to provide for the appointment of a deputy chairman to the commission and, after discussion, the commission was asked to prepare and submit a draft subsection. The proceedings have been carefully reviewed and the commission recommends to the consideration of the committee that section 3 of the Act be amended as follows:—

Subsections (3), (7) and (9) of section 3 of the said Act as enacted by section 2 of chapter 44 of the statutes of 1936 are repealed and the following substituted therefor:—

(3) The Governor in Council shall appoint one of the commissioners to be chairman and another of the commissioners to be deputy chairman of the commission.

(7) The chairman shall be paid a salary of nine thousand dollars per annum, the deputy chairman shall be paid a salary of seven thousand five hundred dollars per annum and each of the commissioners, including ad hoc commissioners, shall be paid a salary at the rate of seven thousand dollars per annum; such salaries shall be paid monthly out of any unappropriated moneys forming part of the Consolidated Revenue Fund of Canada.

(9) (a) The chairman of the commission shall have the rank and the powers of a deputy head of a department for the purposes of this Act and shall have control and direction over the disposition of and duties to be performed by the other commissioners, and shall have control over the duties to be performed by such staff as may be assigned to the commission by the department.

(b) In case of the absence of the chairman or his inability to act, the deputy chairman shall exercise the powers of the chairman for him or in his stead, and in such case all regulations, orders and other



documents signed by the deputy chairman shall have the like force and effect as if signed by the chairman.

(c) Whenever the deputy chairman appears to have acted for or instead of the chairman, it shall be conclusively presumed that he so acted in the absence or disability of the chairman within the meaning of paragraph (b) of this section.

(d) When the chairman deems it necessary for the more speedy and convenient despatch of business he may, in writing, delegate to the deputy chairman, from time to time, the performance of any of the duties imposed upon him under the provisions of this Act or arising out of the administration of the same, and when the performance of such duties has been so delegated, the performance thereof shall have like force and effect as if performed by the chairman.

Mr. HERRIDGE: I should like to ask a question or two. This recommendation is a recommendation from the commission as a whole. Is that correct, Brigadier Melville?

Brigadier MELVILLE: That is correct.

Mr. HERRIDGE: There is just one other point. I noticed in listening carefully that in one section it would appear that the deputy chairman had the powers of the chairman. Then I thought in the concluding section it seemed as if that clause was modified by some reference to the fact that he had to have authority given to him in writing to act on behalf of the chairman. I should like to have an explanation on that point.

The CHAIRMAN: When the chairman is away he has all the powers of the chairman, but when the chairman is present then it is arranged between them what the deputy chairman shall do. That is set out in writing by the chairman. That is putting it in simple language, is it not?

Brigadier MELVILLE: That is so, and the recommendation that has been advanced by the commission is generally speaking the same as will be found in the Railway Act which provides for the Board of Railway Commissioners and the deputy to that board.

Mr. HERRIDGE: I thought there was some conflict there.

The CHAIRMAN: I will run over it again. The Act provides that the Governor in Council shall appoint one of the commissioners to be chairman and another of the commissioners to be deputy chairman. That is the first change, and actually is made to give a statutory basis for the order in council today which provides for the appointment of the deputy chairman. The deputy chairman thus far has been without extra remuneration, and the next change is that it is provided that he get \$500 more or \$7,500 instead of \$7,000. Then the next change provides for the actual machinery.

(b) In the case of the absence of the chairman or his inability to act, the deputy chairman shall exercise the powers of the chairman,

and so on. Then it says that whenever the deputy chairman appears to have acted in place of the chairman it shall be presumed he has the power to do so. Then the last clause is:—

(d) When the chairman deems it necessary for the more speedy and convenient despatch of business he may, in writing, delegate to the deputy chairman, from time to time, the performance of any of the duties imposed upon him under the provisions of this Act or arising out of the administration of the same, and when the performance of such duties has been so delegated, the performance thereof shall have like force and effect as if performed by the chairman.

It seems to me that covers the whole situation. Is that carried?  
Carried.

Brigadier MELVILLE: At last Tuesday's meeting when Brigadier Topp appeared, it was suggested by the committee that certain recommendations or proposals he had in mind should be discussed with the Commission. I have been in touch with Brigadier Topp, the last occasion being just about an hour ago, and he hopes later on today to submit these proposals to the Commission. They will then be discussed and our recommendation will be brought forward to you.

During the course of Brigadier Topp's remarks he very kindly stated that a marked favourable change in the interpretation of the term "wilfully concealed" had taken place since I assumed office.

Last evening I reviewed Brigadier Topp's remarks, and I felt, gentlemen, that I should consider that question and probably add a few observations of my own. At a previous session I reviewed a number of actual cases which clearly, in my opinion, demonstrated the practice and policy of the Commission. By that I mean the practice of the Commission as a body and not of the chairman or any member thereof. I am definitely satisfied the term is broadly and generously interpreted and in seeking an explanation for the more favourable situation which the chief pensions advocate has stated exists in the past few years have arrived at this conclusion. In the first few years of the war many men were returned from overseas, and discharged as unfit, after service in England to a greater or lesser degree. They were weeded out as unfitted for the strain and stress of modern warfare and, very definitely, on account of pre-enlistment conditions. As time advanced and men withstood the rigours of training fewer were returned, many saw real battle action and the term "wilfully concealed" had a much reduced application by the Commission.

Might I again stress that a review of the cases on the record will support my contention. The consensus of medical opinion and the documentary record, establishes the condition as of pre-enlistment origin but the Commission after review decided the member of the forces did not wilfully conceal and so pensioned for the entire disability. There are a number of cases where on renewal application, or an appeal, the Commission, in the light of new evidence, and in many instances the credibility of the applicant, has amended a decision, a decision of wilful concealment and pensioned for the entire.

I felt is very necessary to make that statement because the inference was it was my personal intervention, may I say. The members of this committee should hear the discussions that go on each day in the board room on contentious cases. I very frankly state that any change in policy has not been that of the chairman. It has been the Commission which is a very united board with one purpose and one purpose only, and that is to ensure that every member of the forces gets the full benefits to which he is entitled under the provisions of the Pension Act.

The CHAIRMAN: We permitted the next section to stand. Have you a further statement?

Brigadier MELVILLE: I have a further recommendation. On Tuesday a request was made for the consideration of the Commission to be given to cases where a woman had procured a divorce but no alimony had been awarded. The Commission suggests an amendment which results in a subsection (b) to the amendment which you have before you to-day. That is section 32 (4) of the Pension Act.

Mr. GREEN: It is on page 2.

Brigadier MELVILLE: No. 12 on page 2 of the suggested amendments to the draft bill. The suggestion advanced by the Commission is that (4) on page 2 be numbered (4) (a) and that a clause (4) (b) be added to read as follows:—

Notwithstanding anything contained in paragraph (a) of this subsection, when a woman has been divorced from a member of the forces, and such woman is in a dependent condition, the Commission may, in its discretion, award such pension not exceeding the rates set out in schedule (B) to this Act, as it deems fit in the circumstances, although such woman has not been awarded alimony, if in the opinion of the Commission, she would have been entitled to an award of alimony had she made application therefor under due process of law.

The CHAIRMAN: That covers the point. It may be a little difficult in administration, but it covers it anyway.

Mr. GREEN: I think so.

Mr. CLEAVER: It covers it very well.

The CHAIRMAN: I think it is fair, too, as far as that goes. Shall that carry? Carried.

Have you a further statement?

Brigadier MELVILLE: I think you can go on with the bill now.

The CHAIRMAN: There was some discussion on section 10. That is on page 5. The point under consideration is as to where it says:—

Provided that payment hereunder may only be made in respect of awards made on or after the 1st day of January, 1945.

If I remember correctly I think there was an amendment that that proviso be struck out. Was there an amendment to that?

The CLERK: No, not to that one.

The CHAIRMAN: The effect of that proviso is that even though in the opinion of the Commission there might be an injustice in not being able to date the award back three years if the award happens to be made before the 1st of January, 1945, that admitted injustice could not be rectified. It seems to me that it would be quite in order to strike that proviso out because the government and parliament want to rectify injustices even if they happen to have been committed before the 1st of January, 1945. There was a debate on that. I thought an actual motion had been moved to strike that out.

Mr. GREEN: I suggested that it be struck out. I did not make that motion.

The CHAIRMAN: It was Mr. Mutch. As a matter of fact, what is the pleasure of the committee on that? Is it carried to strike it out.

Carried.

The next is section 11 (2) as to the date line. I may say I spoke to Mr. Maybank about this and said we hoped to get this bill reported on Friday at the latest. He stated he could not be ready to make his submission until Monday. Perhaps with the consent of the committee we might allow this to stand until to-morrow anyway.

Mr. BROOKS: I do not yet see what the necessity is for waiting for Mr. Maybank. As I said the other day surely the members of this committee have as good an understanding of this as Mr. Maybank, and I am not casting any reflections at all. I think that this committee surely is prepared to proceed with this matter, and I think we can solve it. Why we should wait I cannot yet understand.

The CHAIRMAN: My only feeling was I hated to see the bill held up.

Mr. LENNARD: Why hold it up?

The CHAIRMAN: I suggested to Mr. Maybank that we leave that section until the last, but I felt that the committee would not want to hold it up until Monday if we could possibly report it on Friday.

Mr. FULTON: Have you the substance of Mr. Maybank's submission?



The CHAIRMAN: It has to do with this date line.

Mr. QUELCH: The cut-off date?

Mr. PEARKES: I moved a resolution to the effect that it be cut out. That was adopted here and is recorded in the minutes. Mr. Quelch spoke on that, and Mr. Quelch raised the question of the date line in other sections, too.

The CHAIRMAN: I thought it had stood.

Mr. QUELCH: No, it was carried. The first one carried and then it was decided to deal with the other ones as we came to them.

The CHAIRMAN: On page 4 the first two items were carried and then you have section 11(2) standing.

Mr. QUELCH: I think we should proceed as we go along.

The CHAIRMAN: I was speaking about the clause on page 6, 11(2).

Mr. BROOKS: The same principle applies.

Mr. PEARKES: I will move that date line be removed, too.

The CHAIRMAN: Have you any information other than what you have already given the Commission as to these date lines, Brigadier Melville?

Brigadier MELVILLE: In giving consideration to the question of the date lines I consider it very necessary that the committee should realize the full implication because these date lines concern widows, wives and children. In so far as wives and children were concerned no pension was payable if the marriage took place and the children were born after May 1st 1933. That date line has been advanced to the 1st of May, 1944. It probably is of interest to the committee to note the result of that legislation. The number of wives who have been taken on pension as a result is 3,146, and 2,134 children, the annual liability being \$425,063. In addition to that there were a large number of children taken on whose mothers were already in receipt of a pension. These children were born after the 1st day of April, 1933. Actually there were 12,413 of such children and the annual liability was \$530,088. So that in so far as wives and children are concerned there are 3,146 wives and 14,547 children, and an annual liability as of the 31st of December, 1945, of \$955,151. That is wives and children.

Mr. GREEN: Is that of the first world war?

BRIGADIER MELVILLE: This only applies World War I.

Mr. PEARKES: That applies to the wives and children between 1933 and 1944, but you are not suggesting there will be that number from now on if the date line is removed?

Brigadier MELVILLE: Not by any means.

Mr. PEARKES: I would say that obviously it is on a very much decreasing scale on account of age.

Brigadier MELVILLE: Age alone takes care of that problem in so far as children are concerned. I would not say in so far as marriage is concerned.

Mr. QUELCH: Have you any idea as to how much would be involved if the date line is cut out?

Brigadier MELVILLE: That is almost impossible to estimate, but with regard to widows where the date line was 1st of January, 1930 and was advanced at the same time to the 1st of May, 1944, the situation is that 261 widows with 518 children have been taken on pension and the annual liability as of the 31st of December, 1945, is \$260,482.

Mr. BROOKS: Is there any strong reason why they should not be taken on? You are quoting the cost. That does not mean anything if the people are entitled to be taken on.

Brigadier MELVILLE: I was leading up to the observation I was anxious to make. If the date line is removed for wives and children and an additional pension is paid on behalf of those wives then in the event of death—and you

could have marriages where the union only lasted a very short time—the widow would be eligible for a pension whether or not death was attributable to service even, if he died from old age, provided the pensioner was in receipt of a pension in classes 1 to 11, 50 per cent or more. You could have an old pensioner in that group marrying a young person, dying very soon thereafter, and the widow being eligible for an award of pension as the widow of a deceased pensioner. That is the only observation I have to make, gentlemen. I feel it is incumbent on me to inform the committee as to the liability which has been incurred and as to the situation which might develop.

The CHAIRMAN: That is by lifting the date line from what date in 1933?

Brigadier MELVILLE: From the 1st of May, 1933, it was advanced to the 1st of May, 1944. In the case of widows it was 1930.

Mr. CLEAVER: There is already a provision in the Act to take care of death-bed marriages, is there not?

Brigadier MELVILLE: There is a provision.

Mr. PEARKES: The date line has already been advanced from 1933 to 1944. Quite obviously the number of children who will be born to veterans who are pensioners of the first great war after 1944 will be very small. I should like to call the attention of the committee to the recommendation which was made by the Legion and which is contained on page 1234.

We strongly recommend (a) the elimination of the deadline of April 1, 1944, affecting allowances for wives of disabled men of the first great war, married after that date. (b) The elimination of the deadline of April 1, 1944, in respect to allowances for children of disabled men of the first great war, born after that date. (c) The elimination of the deadline of April 1, 1944, in respect to widows of disabled men of the first great war whose marriages occurred after that date, subject to the necessary regulation establishing the bona fides of marriage.

The CHAIRMAN: Just to make it plain what are you reading from?

Mr. PEARKES: I am reading from the reports of the Special Committee on Veterans Affairs.

The CHAIRMAN: Of last session?

Mr. PEARKES: Last session. This is the Legion's brief.

The CHAIRMAN: Are you sure it is the Legion's brief?

Mr. PEARKES: Wait a minute.

Mr. QUELCH: I think it is the Canadian Corps.

Mr. PEARKES: The Canadian Corps. It does not matter. It is the National Council of Veterans' Associations of Canada. However, it does not matter. There is the recommendation.

The CHAIRMAN: It makes a great deal of difference because if that recommendation is conspicuously lacking from the Legion's brief that should be noted by the members here. It is to be presumed that if the Legion thought it would be in the best interests of the administration of this Act and of the veterans they would have recommended it.

Mr. PEARKES: Not necessarily because I understand that the Legion had some discussion either with you, Mr. Chairman, or with the minister on this matter. Perhaps the minister would like to add something on that.

Hon. Mr. MACKENZIE: I will be glad to. When these changes were made in the Act before there was a definite understanding from the ex-servicemen's organizations at that time that this was to be the ultimate request in regard to date lines. I can easily produce the correspondence dealing with that situation.

The second point is that I want to say this has not been discussed by the government so far and I must reserve any decision as far as the government is concerned.

Mr. PEARKES: The matter was brought to my attention first of all by one man who is affected. He had married on the 30th of June, 1944, and he brought this matter to my attention. Since then I have had other veterans who are affected ask me to endeavour to have this date line removed on their behalf. I cannot help feeling that there is a substantial case. If you remove it up to 1944 why not take it off altogether?

Hon. Mr. MACKENZIE: Speaking personally, and at the risk of becoming very unpopular, I want to leave this thought very seriously with the committee. We have gone further than any other country in the world in regard to this matter and must be careful we do not go too far.

The CHAIRMAN: What is the provision in regard to superannuation? Is there anything about that in the ordinary superannuation acts?

Brigadier MELVILLE: I cannot quote specifically, but I do know in the Superannuation Act the superannuation is not payable to the widow if a marriage takes place after a certain age. I cannot quote the age. Then there is a further rider or proviso as to the relationship between the age of the man and the woman. I cannot quote that now, but I would be very glad to get that information and bring it forward to the committee.

The CHAIRMAN: I see that Mr. Maybank is here now. There has been a discussion on the very point on which he wishes to make a presentation to the committee. He was not really prepared to make it properly until the beginning of next week, but I presume he is ready to make the presentation now and to do the best he can without the preparation he counted on. I presume you are willing to hear from Mr. Maybank, a colleague of ours in the House?

Carried.

Mr. MAYBANK: Mr. Chairman, I am not adequately prepared to present to you the idea I desire to present with reference to this section. I think it is section 26. It is the limitation section, at any rate.

Mr. Mutch: Section 27.

Mr. MAYBANK: My situation with regard to this was that I had to get some information from Winnipeg and I could not get it until the beginning of the week. I learned from Mr. Mutch a short time ago that if I did not come in here and at least state as much as I could about it that the matter would probably be closed. Therefore, I came here to speak as well as I could upon the matter from memory.

It has always seemed to me that section 27, together with the section which fixes a certain date for marriage and a certain date for births, and that sort of thing, is a section where there is the general idea running through it of what is termed limitation of action. It seemed to me that idea was one somewhat similar to that in other branches of law, that you cannot delay too long to obtain that to which you are entitled. We sometimes express it that people who have rights or privileges should not sit on them too long.

It seemed to me there was the reason underlying these special laws but, at any rate, section 27 is clearly a limitation of action, and the idea was to try to bring to finality this particular sort of legal action. I should think that most people looking back on the year when it was enacted would believe it was a reasonable enactment but, of course, it is patent to everybody, and it does not really need to be stated, that it was never in the minds of the people who enacted that section that it would apply to the veterans of the most recent war because naturally in that they were not even contemplating war, and consequently they were certainly not enacting legislation which was intended for people who were at that time probably mere boys.



In order to get some sort of pension legislation we just enacted the whole pension law by order in council, section 27 came in and veterans of this war found themselves subject to it. In general no matter when a man started his application for pension he could not get more than eighteen months back pension no matter how long he took through circumstances over which he had no control in the presenting of his case. Later on a change was made fixing it at thirty-two months, I believe.

Mr. MUTCH: Thirty-six.

Mr. MAYBANK: I have had more than one case come to my attention whereby veterans of this war have suffered under the eighteen months rule. I have had more than one of them, and any of those who had already suffered under that rule were in no wise benefited by the change to thirty-six months. The reason for that was that their cases had been decided before the change in the law to the thirty-six months came into force. There has been some suggestion made to me that you are recommending a change there whereby they would benefit and get the thirty-six months now.

The CHAIRMAN: That was passed this morning.

Mr. MAYBANK: I knew that was coming up before you. That, of course, will take care of a number of these cases of hardship, but my submission to you is that if an individual is in no wise to blame for the lapse of time between the commencement of his case for pension and the final decision thereof he should not be penalized by one minute. If I commenced an action for pension, am turned down, and a long time elapses and I then take some action to get it reopened, and a long time elapses before a decision is made on that and finally more than thirty-six months have gone by but I have been doing all I could struggling against the injustice, as it would be to me, I do not believe that finally when a decision is given every minute occupied by my lawsuit should be paid for in pension. As a matter of fact, if that is not done then you could be in the position where deliberate delays could occur. I am not suggesting they would but negligent delays could occur, and certainly to penalize a man when he has done absolutely everything he can do would not seem to me to be reasonable nor common justice.

These thoughts arise out of an experience with one particular case. It is with respect to some of the details of that case I was not informed with that degree of accuracy that I would desire and it was for that reason that I wanted to get further information from Winnipeg. I will ask you to be charitable in reading over anything I may say in case of error because I am speaking strictly from memory and impression. The case substantially is this: This individual enlisted in the very early days of the war. It will do for our purposes to say that he enlisted within the first sixty days of the war. He was at the barracks just outside Winnipeg. How it came about I do not know, but he was pretty much a free lance out there in the barracks. He was not attached to any regular unit and he had pretty complete freedom in moving in and out for a matter of about ten days or so, although he had to get passes, but it was a mere bagatelle to get them. Such, at any rate, was the situation. He went out and nobody knows what happened after that. They found him just outside the barracks. He was badly smashed in the head, and he was out for keeps as far as any usefulness in life thereafter was concerned. They found alongside of him a case of beer. Whether the case of beer had fallen on him from some wall, whether he had raised it up and dropped it on his own head, whether he had been climbing a wall, had fallen down with the case of beer and hit the ground first and the case of beer never hit the ground but rather hit him on the head, or whether somebody threw it at him or something else, nobody knows. He does not know. There is no dispute about that. His own lack of memory of the occurrence is a completely honest lack of memory. I do not know whether you are fully familiar

with the fact, but I fancy you are, that a blow on the head will sometimes knock out of a person's mind forever and ever much that went on before the blow as well as that which occurred immediately after the blow. So this man is short of memory for two or three hours before the time of the impact on his head as well as a long period after the impact on his head. As a result of that he is paralyzed very badly on one side of his body. There is no hope of his getting any better and he is 100 per cent out. At that time he had pension rights under the insurance principle, as you recall. That was not revoked until some time in the spring of the next year. He therefore was *prima facie* entitled to a pension. When his application went in, it went in promptly enough; there was no delay on his part. He was discharged before very long as being not of use to the army, medically unfit. His pension claim went in with promptness, but the army declared that that blow on his head and his consequent injury was his own fault, that he was breaking out of barracks and he was therefore the author of his own injury. Of course, on the strength of a finding like that by a court of enquiry of the army, he naturally was refused a pension. It was at this stage that some person came along to help him. I imagine there was a loss of time that occurred there. I imagine that when he got that answer he just did not know what to do. He was quite a helpless individual in these things. This sort of argumentation was foreign to his life. But, after some time went by, help came along to him; arguments were made on his behalf and it was effected by those arguments that another enquiry reconvene.

MR. PEARKES: Mr. Chairman, is this not all out of order? We agreed a long time ago not to deal with particular cases, and yet here we are taking up the time of the committee dealing with a particular case. Surely this should be referred to the chairman of the pension commission?

MR. MAYBANK: Mr. Chairman, may I just give this answer? It is the principle that I enunciated first that I am endeavouring to illustrate by this particular case and the principle is that if an individual does all that he can with reference to his application for pension, he should not be penalized by a limitation of 36 months, or any other limitation. It is not this particular case that I desire you to deal with. I desire you to accept this as an illustration of that principle which, in my opinion, has been violated or would be violated if we fix any kind of limitation at all. That is my reason for presenting the case.

MR. ROSS: Does that 36 months' regulation still apply, or have we disposed of that in our motion?

THE CHAIRMAN: The way the thing stands to-day, gentlemen, is this: I am not sure about the facts in Mr. Maybank's case, or whether it is cured by what we did this morning or not.

MR. MAYBANK: No.

THE CHAIRMAN: He thinks it is not. The way it was after the last war was this. I might mention this shortly so that any new members of the committee who might not realize the reason for this will be able to do so. After the last war was over, for some time we had applications for pensions coming in; and sometimes they were coming in 10 years after the war. Then the question would be whether there should be entitlement or not. Of course, if there was entitlement awarded, then the claim would be that it should date back—right back sometimes to the time of discharge from the army. There were awards being made, I think, of as much as \$10,000 and \$12,000. The suggestion was made that that was militating against the granting of pensions because in the cases of these boys who tried to get along without a pension, and then when they found that they could not carry on any further, came along and asked for a pension, the commission had to be absolutely persuaded before they would make an



award because each award involved this tremendous amount of money. The suggestion was that it was better for the fellows who served in the war to be able to get a grant and get it dated back within 18 months, than to have this thought always in the minds of the commission: "If we give a grant to this man, then it is going to mean right away a cheque for thousands of dollars." So previous pension committees finally wrote into the Act that there should be a retroactive payment of only 18 months. Then when this war came on, it became quite clear that there would be cases where, due to administrative delay on account of the war being on—and there was no fault of the soldier himself—it might not be possible to bring a man's case to a conclusion within 18 months. The suggestion was that if there was another 18 months given, allowing 3 years, that would give the Pension Commission ample time to bring any case to a decision; that if they gave an award, to date it back 3 years, and that that would be a happy solution to the whole problem; that that would be a clause that could work in the future and cure the difficulty that we ran into after World War I. I am bound to say that I have discussed this thing with the commission and they assure me—and Brigadier Melville might wish to speak on this—that they do deal with cases expeditiously and that this 3 years covers the situation. That is, I believe, the reason for the order in council and the reason for the committee's attitude approving of this section, subject to taking out the provision that if the decision were made before 1st January, 1945, it could be reviewed the same as if it were made afterwards. That is what we dealt with this morning. In other words, now any decision made before or after, at any time, can be reviewed with the idea of giving the man up to 3 years if he is entitled to it. Mr. Maybank is now suggesting that there should be, as I take it, no limit.

Mr. Ross: No time limit whatever.

The CHAIRMAN: No time limit at all, providing the man presses his claim with care and diligence.

Mr. Mutch: For this war, that is.

The CHAIRMAN: That is for this war. In other words, Mr. Maybank is suggesting an actual change and an extension of that 3 years to any length of time at all.

Mr. Mutch: A further amendment of Section 27.

Mr. Herridge: Mr. Chairman, I suggest that Mr. Maybank be allowed to conclude his evidence. I do not suppose he will be long. Otherwise our entire time would have been wasted over this. There may be some information in Mr. Maybank's evidence.

The CHAIRMAN: Is that satisfactory? I appreciate Mr. Pearkes raising the point, because we did make that decision he referred to; but Mr. Maybank is not a member of the committee and of course is not aware of what we decided on. Is it your wish that Mr. Maybank should complete his remarks?

Mr. Ross: May I be clear on this? The point Mr. Maybank is endeavouring to make is that, at any time in the future, this chap who was apparently a casualty in the first war, may have his case taken up and obtain a settlement. There is not any time limit.

The CHAIRMAN: Yes.

Mr. Maybank: No, not quite. My proposition was simply this. As the chairman said, better than I put it originally, if one prosecutes his case with diligence and if it goes longer than for a certain period that you wish to name, he being blameless, should not be penalized by a time limitation. I have told you enough about the nature of the disability under which this man was placed by the forces of the Crown themselves, excepting just to say this. A change was made in the court of enquiry finding and I believe that the change did not help him very much, because it was afterwards declared that if he was not



breaking out of barracks, he was breaking in, and he was not any better off in front of the pension commission. Then further struggling took place until that decision of the court was changed and it was clear that neither of those declarations was correct and that therefore the road was open for him to get a pension. In spite of the diligence of this fellow,—he was living in poverty all of the time and in great difficulties—he received an award of pension dated 18 months back. If the 36 months rule was applied which you have now been settling on, it still would not have gone back to the time of his discharge from the army and his injury. There was a case and there will be others. I am not directing this to you as an individual case but only as an illustration. There is a case where a man is blameless and where, by reason of the limitation clause of 36 months, he will be penalized, and he will not be alone.

We will find, if we leave the limitation in that fashion, that we are placing ourselves sometimes, as in this case, in the position of putting a twitch on a man so that he could not act, imposing barriers in his way; and then as a result of those barriers, resulting in the consumption of a great deal of time, when he finally comes to his favourable decision, he is penalized by the law of the limitation. I submit that is not justice. It is not just this individual I am thinking of. It is the principle of the matter. If a person has a right, and he prosecutes his claim to that right diligently, he should not be penalized by any law which we make; particularly when, in order to effect the penalty, some sort of interfering action on the part of the Crown officers themselves can take place and thus contribute to the penalty upon the man. That is the case here. The Crown's officers imposed what in rugby they would call, I suppose, a straight-arm. They held him off and as a result of that, all of this delay occurred. In true justice he should never have been limited to 18 months. Nobody was to blame for that. The pension commission was not to blame. That was the law. But in true justice he should not be held off for 36 months. He should not be held off at all. He is blameless or the Crown is in some departments. That is the submission. I should like to have had certain data here this morning that would have been more exact than that which I have given you. I have given it to you as impressions, but I could not do any better in the circumstances.

The CHAIRMAN: Thank you, Mr. Maybank.

Mr. MUTCH: I wonder if the chairman of the pension commission has any idea as to the number of applications which would exceed the 36 months period? Applications which were made in 1939 might have,—if they were in such a position as this illustrated case or if they only got a favourable decision in 1946,—an accumulation of almost 7 years. Have you any idea about that?

Brigadier MELVILLE: I have no idea whatever, gentlemen, as to the number of cases which might fall within that category. I would say they must be few. There was a stage in the work of the Canadian Pension Commission where it was extremely difficult to get doctors. They were being absorbed by the services, navy, army and air. As a result, the commission could not expeditiously deal with the proceedings of medical boards on discharge and a backlog accumulated. It was for that particular reason the commission advocated and obtained this authority by order in council for the additional 18 months. That, as far as I know, is meeting the majority of the claims. There may be a few outside. There should be none to-day because the commission deals with the proceedings of the medical boards on discharge. If disability is there, our target is to award entitlement and, if possible, pension, if we can assess it, within 30 days of the date that these proceedings reach the commission; and we hit the bull's eye in that target very, very frequently. But if all limitations are going to be removed, I suggest you must give consideration to this point. There has been a change in procedure, and a most beneficial change, one which was brought into effect on the strong recommendation of the commission and

met with the unanimous support of all veterans' organizations. That was the removal of all time limitations with regard to applications for pension. There are time limitations with regard to World War I, as I will explain when we come to deal with the amendment to the Act. But with regard to World War II, all the time limitations have been removed. For what purpose? Absolutely in the best interests of the veteran, in order that he may have an opportunity, should latent disabilities become manifest, to present his claim. That he is not crowded, after the initial decision of the commission, into renewing his application and going before the appeal board within definite time limitations. That is not right. We do not feel it is fair to the man and the commission is very definitely of that opinion, in the light of all our experience. So I suggest if all time limitations are removed, it may be necessary to give consideration, shall I say, to certain limitations within which the member of the forces must, from the initial application and in the furtherance of his claim to pension, go through the various stages leading to finality, which may be an appeal board of the commission.

Mr. FULTON: Would you have any objection to having the commission given power, if evidence is produced that the applicant has pursued his application diligently,—to use Mr. Maybank's word—to date the pension back to the date of the application? Would you have any objection to that?

Brigadier MELVILLE: The commission has no objection to anything which would be in the best interests and to the advantage of the member of the forces, provided we have the necessary statutory authority.

Mr. FULTON: That is the point. Would you like me to put that in the form of an amendment?

Mr. Mutch: Would it meet the situation with respect to this limitation of retroactive pension if we should consider the period of the war itself as being exempted from these limitations? I was a member of the committee in 1936 when the committee did agree to the imposing of limitations of this kind. But it seems to me ridiculous that a soldier getting injured, say, early in 1939 and continuing his pension application until 1945, and all of that time being completely disabled, having his claim admitted in 1945, should then be told that for 2 years of that struggle he was on his own and if he managed to survive it, that is fine, but we are not going to do anything about it. Would it take care of that situation—I have not thought this out, but I think it is worthy of thinking about—if they suspended those limitations for the period of the war itself? Because eventually if we do away with all these limitations we shall, human nature being what it is, in 4 or 5 years from now or maybe 10 years from now find ourselves faced with the situation we faced in 1936, where the weight of accrued pension acts as a deterrent or is suspected of acting as a deterrent to the granting of the pension itself. I do not think anything we do with respect to that at the moment can be final; but I think we should seek out some amendment under this section 27 to make sure that the veteran in this war which has only recently ended should be at least pensionable since the time of his discharge for his disability.

Brigadier MELVILLE: Mr. Chairman, probably I should not do this, but I should like to clear up one observation you made, Mr. Mutch. What is the termination of World War II?

Mr. GREEN: It is not over yet.

Brigadier MELVILLE: It has not been declared yet.

Mr. Mutch: Whenever it is, I will be satisfied with that date, if that is practical. That is the suggestion.

The CHAIRMAN: Is it possible for those cases to drag for 6 years? That is not in accord with what I have been told by the commission.

Mr. FULTON: Before they come before the commission.

The CHAIRMAN: All this argument is based on the idea that a man fights for 5 or 6 years to get his rights. Is that the case? Certainly I am surprised to hear that.

Brigadier MELVILLE: Very definitely not, Mr. Chairman. I think Mr. Maybank will agree with me when I remark that in his particular case, the dispute from which the whole claim springs is not in so far as the commission is concerned. It is in regard to the court of enquiry and the proceedings completed during the man's military service.

Mr. MAYBANK: Yes.

Mr. MUTCH: Yes.

Mr. MAYBANK: There was fabrication of the evidence.

Brigadier MELVILLE: The applicant is in an unfortunate position. When an initial decision is rendered by the commission, it is communicated to the man right away. He is advised not only of the decision, but in very simple language and in very complete terms, the reasons which led the commission to render that decision. He is also told what he should do to advance his claim to pension—to seek the help of the Veterans' Bureau, of the veterans' organizations and so on. If he gets that help, there is no reason why, on representation to the Commission, a further decision should not be rendered, a renewal decision by the commission. It is a matter, as I have seen, of a month or two months. If he wishes to go ahead and appeal, the advocate will assist him by the preparation of a summary of evidence. That does not take very long. When the summary of evidence is complete and the member of the forces himself is satisfied that all the evidence he wishes to submit in support of his claim is before the commission, then the Veterans' Bureau notifies the commission that the case is ready for hearing. The commission arranges for the hearing, and our hearings are up to date. We are not one month behind, and that month is required to enable arrangements to be made to notify all concerned about these appeal boards. So there should be no delay—a matter of months.

Mr. HERRIDGE: Mr. Chairman, I just want to express my impression after listening to Mr. Maybank's statement, which I listened to very carefully. His statement has convinced me that in this case I think the man was dealt with very generously. Here is a man found with a case of beer beside him. I do not know how anybody, by any stretch of the imagination, could say he was injured by enemy action or counteraction or as a result of service. It is clear from the evidence that the military authorities, I think, became quite tender-hearted in the matter; and I think, from what I have heard of Mr. Maybank's evidence, that the present limitation of 36 months is just and fair under ordinary circumstances.

Mr. MAYBANK: Mr. Chairman, may I add this: I submit that we should not consider any such ideas of generosity or sympathy or that sort of thing at all, because that which can occur in one case can occur in another of an entirely different sort. The principle is there. That brings me back to the proposition of the principle that I was speaking about; and I want to make it quite clear that it is the principle and not a case that I am interested in. If a man acts diligently and officers of the Crown restrain him, then he should not be penalized. This is not a case to be thought about. Beer, generosity, sympathy, and all those things may be given a fleeting moment of thought; but that which can happen in this way can happen again; and legislation should not make that possible. It is the principle that when one is diligent in seeking his rights and is restrained, particularly by officers of the Crown, then no penalty should come upon him.

Mr. QUELCH: Mr. Chairman, I should like to point out that when we put that limitation of 18 months in the Act in 1936, we did realize that was causing great injustice to many of the veterans. But it was made perfectly clear to us



at that time that if we did not put that limitation in, then many veterans who would be entitled to pension would not get in on account of the accrued cost.

The CHAIRMAN: Yes.

Mr. QUELCH: I remember the then Minister of Pensions, Mr. Power, made that point very clear, that the cost would be so great that it would mean that a man who was entitled to a pension would not get one. Therefore we put it in for that reason. But in view of the fact that the end of the war has been of quite recent date, I do not think that a 36-month limitation now would cause much injustice. On the other hand, I would be very much opposed to setting a deadline for the application for pension because you are only going to cause a stampede of applications. There will be some men who have a slight disability but who think they are apparently well enough off not to need a pension. But they should not be debarred from making application for pension later on if their financial circumstances change. If you are going to set a deadline, you are going to get a flood of applications from people with a slight disability, whether they need pension or not, in order to safeguard themselves in the future.

Mr. CRUICKSHANK: Mr. Chairman, I entirely agree with Mr. Quelch on these date lines. I do not think it is right. I am going to be personal about it. When I came out and was discharged, whatever that date was, I did not want a pension, I did not need one. I was in such a financial position that I did not need one. In my opinion, if you carry on as is, you will force everybody, just as Mr. Quelch said, to apply now. At least, that would be to their own interests. I would advise every one of the soldiers in my riding to apply for that very reason, to protect themselves. I entirely agree with Mr. Quelch.

Mr. GREEN: Mr. Chairman, are not both Mr. Quelch and Mr. Cruickshank under a misapprehension? There is no deadline in the Act.

Mr. QUELCH: No. I made that point quite clear, that I would be opposed to the setting of a deadline. I did not say there is one.

Mr. GREEN: Yes.

Mr. QUELCH: Brigadier Melville did suggest that if we struck the 36 months out, we might have to set up a deadline. I do not oppose the idea of a 36 month limitation; but I say this, I do oppose a deadline by which a veteran must have made application.

Mr. GREEN: We are all against that.

Mr. QUELCH: Brigadier Melville did make the suggestion that if we changed this 36 month limitation, then the commission would recommend setting a deadline.

Brigadier MELVILLE: No, Mr. Chairman. May I have the privilege of answering that? If I gave any such impression, then I have been entirely misunderstood. I think the 36 months is very favourable, but if there is to be no limitation, then what I did suggest was that consideration would have to be given to the procedure in effect under sections 50 and so on, whereby the member of the forces proceeds with his application to pension.

Mr. QUELCH: That is what I meant.

Brigadier MELVILLE: Oh, that is what you meant?

Mr. MAYBANK: May I put this on record, Mr. Chairman. I thought when Brigadier Melville was speaking that something I interjected did go upon the record, but it may not have. I should like to make it clear that I am in entire agreement with him that, in the particular case I do cite, no delay was caused by the pension commission. His statement with reference to their actions is one that, so far as I know, is entirely correct and is certainly correct in the case I cited to you. It was not their delay.

The CHAIRMAN: I was just going to point out this, gentlemen. What we are confronted with on the presentation of Mr. Maybank is based upon this situation, as I take it. If a man's disability arises from something due to his own misconduct, no pension is to be granted. There was a ruling in the army, apparently, or by the armed forces authorities, that this arose out of his own misconduct and that precluded the granting of a pension. Apparently the armed forces reversed that decision. The question of course is this—this is my own personal opinion—are we going to upset a sound basis for this Pension Act in the future because of this one case? The armed forces apparently relented in regard to their ruling that this man got his disability through some misconduct and therefore was not entitled to pension under the law as it stands.

Mr. MAYBANK: They did not relent.

The CHAIRMAN: Well, they must have changed their opinion.

Mr. MAYBANK: Yes. They found they had made statements which were entirely erroneous and slanderous.

The CHAIRMAN: At any rate, they found that they did not have evidence to sustain their original decision.

Mr. MAYBANK: Yes.

The CHAIRMAN: The obvious recourse of this man is a complaint against the army and the armed forces. They made a decision against him which was apparently wrong. The question that strikes me about this case is this: are we going to change a sound basis for our pension legislation in the future in order to try to take care of a case which must be exceptional—at least I hope so—where the armed forces did not do justice by one of their members? That is the way I look at it.

Mr. LENNARD: Mr. Chairman, at 1 o'clock to-day we will find ourselves right back where we were at 11.30 this morning. Why not close this case and get on with some of the business that is ahead of this committee?

The CHAIRMAN: Thank you, Mr. Lennard.

Mr. MAYBANK: Mr. Chairman, I just wish to thank the committee for the hearing. That is about all I could have said anyway, and I am very grateful.

The CHAIRMAN: Thank you, Mr. Maybank.

When Mr. Maybank came in, gentlemen, we were discussing this motion of Mr. Pearkes.

(Discussion as to procedure, off the record.)

The CHAIRMAN: Then may we proceed with Mr. Pearke's motion with regard to taking the date line out? All I would say about that, gentlemen, is that I have taken this matter up. The minister has stated what he has stated, and I have discussed it with members of the government committee, and I may say one of the things they have in mind is that they do not want the situation to develop here such as developed in the United States where they were paying pensions to people who served in the Civil War, or their dependents, right up until the last year or so. In other words, they feel that that will be harmful to people who suffered injury on account of their service if you begin to pay too much to people who were not injured or in any way have some real genuine claim on the country. You all know, gentlemen, and I do not need to recall it to you, that if you spend a lot of money in helping the sound in mind and body, that is thrown up at you in regard to what you are doing for the returned soldiers. When you ask for something for a man who has been wounded, or is sick or injured, they are going to say, "Look what you are spending now." So I suggest to the committee that we should always bear in mind that our first duty is to the orphans, to the man who is injured or wounded, the man who has suffered a disability. We should always bear that in mind in anything we decide. The difficulty about leaving this date

line in is this: no matter how you hedge it around, you may find that a man who is quite old will marry a young girl. Under ordinary circumstances that would not happen. Before he dies they may have two or three children.

Some Hon. MEMBERS: Oh, oh.

The CHAIRMAN: Well, it is quite possible; and you will have her on the pension list perhaps for 50 years. Because she married and perhaps lived with a veteran for two or three years, you have her on the pension list as of right even though his injury and pension was not attributable to service at all, because of our generous attitude under the 50 per cent rule. You may have her getting pension for 50 years and you may have a child perhaps likewise drawing a pension, although I do not object to the child so much. But in regard to the widow, you may have her drawing a pension for 50 years. Is that going to help the soldier or his dependents? That is the man you really owe things to. That is what the committee has got to decide and what the government has got to decide.

There is a motion by Mr. Pearkes that we lift this date line on page 6, which applies to widows. We have already lifted it, in our opinion, in regard to children. Now the question is, do you want to lift it altogether in regard to widows?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: All in favour of that, please raise their hands.

Mr. GREEN: There may be some discussion.

The CLERK: Twelve.

The CHAIRMAN: Against?

The CLERK: Ten.

The CHAIRMAN: There is somebody here apparently who has not voted. We have got 24 here and only 22 have voted.

Mr. QUELCH: Mr. Chairman, could I interject a question here? At the present time there is absolutely no limitation, is there, regarding difference in age between a veteran and the woman he may marry?

The CHAIRMAN: No.

Mr. QUELCH: There is in regard to the mounted police, is there not? In regard to the mounted police, if the wife is about 10 years younger than the mounted policeman, then pension may be refused. There is no limitation at all in the Pension Act in that regard?

The CHAIRMAN: No. What was supposed to take care of this was the deadline. I would point this out to the members, that when the Legion which represents the great body of soldiers—

Mr. FULTON: What was the result of the balloting, Mr. Chairman?

The CHAIRMAN: I believe there must have been a mistake in the count.

An Hon. MEMBER: Count again.

Mr. CRUICKSHANK: Mr. Chairman, I would ask the result of the ballot.

The CHAIRMAN: I am told that the clerk was not sure about the vote.

Mr. CRUICKSHANK: Then take the ballot again.

The CHAIRMAN: All right. Those in favour, please raise their hands.

The CLERK: Twelve.

The CHAIRMAN: All right. Against?

The CLERK: Ten.

The CHAIRMAN: All right. I declare the motion is carried. I have to go by what the clerk tells me here, and he was not sure about how the vote had gone.

Mr. GREEN: I think there was a statement made a moment ago by Mr. Quelch that is not quite accurate. He has overlooked the fact that if that date line is taken out—it was made by yourself, Mr. Chairman—will there not be



still these two restrictions, that the marriage must have taken place over a year before the death of the husband or the death of the husband has occurred less than one year subsequent to the marriage and the commission is of opinion that at the date of such marriage there was reasonable expectation of his surviving one year.

The CHAIRMAN: Yes.

Mr. GREEN: Those restrictions will still stand?

The CHAIRMAN: Yes.

Mr. QUELCH: The point I raised was this. The chairman stated that a veteran might marry a girl, I do not know whether he said 10 years or more younger than himself, in which case we would be paying pensions for 50 years. Rather than have an argument like that, I would be prepared to see some limitation put in in regard to age, as is done in regard to the mounted police.

The CHAIRMAN: I would point out that, when the Canadian Legion came and got this date line lifted for a matter of 14 years, made a definite pledge that they would not ask for it to be lifted again and carried out that pledge. and did it in the best interests of the soldier, by this decision we have gone contrary to the actual action of the Legion.

Mr. QUELCH: I do not think that is a fair statement, Mr. Chairman. I discussed this question with the Legion and I understood that in order to get certain concessions they were actually forced into accepting the date line of 1944. I do not think it is fair to say they were in favour of the date line being maintained as a permanent policy.

The CHAIRMAN: They came to an understanding with the government.

Mr. MUTCH: We have made a decision. Let us get on with business. We have made a decision, although I do not like it.

The CHAIRMAN: Is the clause as amended carried?

Mr. WINTERS: Mr. Chairman, could you tell us the total amount of that vote?

The CHAIRMAN: Well, it is supposed to be 12 to 10, and there are 24 here. That is why there was doubt as to how the thing went, because there were 12 favourable and 10 against, and there are supposed to be 24 here.

Mr. MUTCH: Some did not vote.

The CHAIRMAN: The clerk says that apparently someone must have withdrawn after he made his count.

Mr. CRUICKSHANK: Let us get on with the business.

Mr. MOORE: Mr. Chairman, is it proposed to remove the date line with respect to children?

Mr. QUELCH: Yes, that is done.

The CHAIRMAN: That is already done. We are dealing with widows here. All right. Does the section as amended carry?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Now on the question of invalid marriages, Brigadier Melville has a short statement to make.

Brigadier MELVILLE: During the discussion on the 28th instant—and we are now dealing with the discussion which took place on Tuesday, so far as I understand it—a recommendation was made that consideration be given to an amendment to this subsection to provide a discretionary award of pension to a woman who had married a member of the forces who has died, when she has gone through a form of marriage in good faith and subsequently the marriage proved to be invalid.

The commission must point out that a member of the forces does not get additional pension for a wife unless he is legally married. That should be very

clearly before the members of the committee, that no additional pension is payable unless the marriage is legal.

If the marriage was a bigamous one and the legal wife is entitled to be maintained and pension was awarded to her, there would be no authority to allow an award to the party to the second marriage.

Section 35 (2) of the Act reads:—

Not more than one pension shall be awarded in respect of the death of any one member of the forces

unless in the case of children, etc.

Should any children be born of the illegal union, pension may be awarded on their behalf under section 22, subsection (3) or (4) of the Act, if death occurred on service or was attributable to service. The commission has the added discretion to award orphan rates.

The suggestion has been advanced that pension be awarded where such a union had been contracted in "good faith". The commission would have difficulty in determining the measure of "good faith" and, if an award was refused, would be accused of "bad faith".

The recommendation is not clear. Is the pension to provide protection during the period of service in respect of bigamous marriages where the member of the forces died on service? Or is it intended that the protection would be continued and apply to an illegal union contracted by a pensioner in the post-discharged period?

These observations, Mr. Chairman and gentlemen, I make from my personal recollection of the discussion which took place on Tuesday.

Mr. GREEN: I can quite see the difficulty if the legal wife is getting a pension. I can quite see there could not be two pensions paid. But I do not think that the Legion had that in mind when they made their recommendation. But surely where there is no pension being paid to the legal wife, there should be as much discretion to pay a pension to a woman who has gone through a form of marriage with a man as there is to pay it to a woman who had only been his common law wife, where there was no pretence of having a marriage. In any event, the section only gives discretion; it is not a mandatory section. I suggest that where the woman has gone through a form of marriage in good faith, and thought she was legally married, the commission should have discretion to pay her a pension.

Brigadier MELVILLE: Might I observe that a common law wife is in a different position; because if she was living with the member of the forces and being maintained by him and was publicly represented as his wife prior to his enlistment, he is entitled to a dependent's allowance on her behalf. In the case of this other group to which reference has been made, no such consideration applies.

Mr. RICHARD HALE: If you will permit me to say a word, Mr. Chairman, this situation is not quite as represented. The Canadian Legion does not request this committee to do things without having just cause. The case we have in mind there is where a marriage is carried out in good faith by a member of the forces with a woman, but he did not disclose he had been previously married. He received dependent's allowance. She was recognized as his wife and she was referred to as his wife. When he died of a war disability, the commission had no power whatever to pay her a pension because the marriage was invalid. That is the basis of our submission. I want you to clearly understand that under the terms of the Act as it is, under no circumstances can that woman receive a pension; yet a common law wife, recognized as such, can qualify for pension. We take the stand that when the woman has gone through a form of marriage in good faith, she should be at least in as favourable position as a common law wife; because, if anything, she really should have the advantage.

Mr. MUTCH: If I may be permitted to ask Mr. Hale a question, may I ask him this? You are not suggesting, Mr. Hale, that recommendation is based on one case?

Mr. HALE: Our submission was based on the one case; that is correct. But there are other similar cases. That was only put forward as an illustration. There will be the other type of case where the previous marriage has been dissolved, legally dissolved under the laws of the state or wherever the man was domiciled, and is accepted by the woman in good faith as being free to marry. Of course, under our law it may be that such a divorce is not regarded as valid and therefore her application fails too. Those are the two types of case we had in mind.

The CHAIRMAN: This morning we decided if a divorce takes place, the commission can award a pension to the divorced widow. Then suppose there is a marriage that took place which is, for some reason or other, invalid. Which do you think should have the pension, the divorced woman or the woman who is not really married but who went through a form of marriage? We have got to draft an Act that they will be able to interpret.

Mr. HALE: Mr. Chairman, the Canadian Legion is very delighted with what you have done with regard to that section with regard to divorced persons. There is not any question at all that the woman who is legally divorced or has divorced a man and has been granted alimony or would be entitled to alimony, has the prior right. There is no other woman can come into that picture at all. There are quite a number of these other cases. There have been a lot of marriages overseas to British and to Dutch girls, for instance, where a previous marriage existed, although they had not been living together for years and the first wife has no legal claim to pension because she was not being supported at the time of death nor has she been recognized during service. So there is only one woman in the case. But at the present time the Canadian Pension Commission have no power to pay a pension of any kind, and we submit very definitely that in those circumstances this woman went through a form of marriage in good faith and therefore certainly should not be penalized when a common law wife receives a pension. That is contrary to all good morals, as we believe.

Mr. MUTCH: Oh, I agree to the first part. I do not know about the last.

Brigadier MELVILLE: When concluding my remarks with regard to this recommendation, I stated the recommendation was not clear and I would like the privilege to observe that Mr. Hale has added something which I do not think is contained in the Legion's submission. You mentioned, Mr. Hale, that dependent's allowance had been in payment. Actually that was not understood from the preamble of the recommendation of the Legion.

Mr. HALE: I am sorry if that is not clear. We could have that information set out.

Mr. QUELCH: Let it stand.

The CHAIRMAN: We could let that stand.

Mr. GREEN: It is 1 o'clock.

The CHAIRMAN: We can carry clause 12, because we let it stand.

Mr. PEARKES: Section 12, subject to that date line removed.

The CHAIRMAN: Section 12 (a) on page 2 of the amendments.

12. (a) Section thirty-two of the said Act, as enacted by section thirty-three of chapter forty-three of the statutes of 1919 and amended by section sixteen of chapter twenty-three of the statutes of 1941, is further amended by repealing sub-section four thereof and substituting the following therefor:—



4. (a) A woman who has been divorced, legally separated by agreement from a member of the forces who has died shall not be entitled to pension unless she was awarded alimony or an alimentary allowance, or is entitled to an allowance under the terms of the separation agreement, in which case she shall be entitled, if she is in a dependent condition, to the equivalent of the widow's pension or to the equivalent of the alimony or alimentary allowance which she was awarded, or the allowance to which she is entitled under the terms of the separation agreement, whichever is the smaller in amount; provided that when such amount is smaller than the widow's pension it may, in the discretion of the Commission, be increased to an amount not exceeding the rates set forth in Schedule B to this Act.

(b) Notwithstanding anything contained in paragraph (a) of this subsection, when a woman has been divorced from a member of the forces, and such woman is in a dependent condition, the Commission may, in its discretion, award such pension not exceeding the rates set out in Schedule B to this Act, as it deems fit in the circumstances, although such woman has not been awarded alimony, if in the opinion of the Commission, she would have been entitled to an award of alimony had she made application therefor under due process of law.

We let that stand. The purpose for which we let it stand has been cured by the suggested amendment providing for the giving of power to give a pension if alimony would have been granted. That was the purpose for allowing 12 to stand.

Mr. GREEN: Twelve which, Mr. Chairman?

The CHAIRMAN: 12 (a) on page 2 of the suggested amendments.

Mr. GREEN: We dealt with that before.

The CHAIRMAN: Yes. May we declare 12 (a) carried, now that we have carried 12? Is 12 (a) carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: We will adjourn until tomorrow, at 11 o'clock. I hope we can get the railway committee room then.

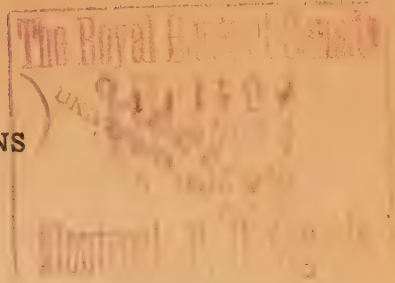
The committee adjourned at 1.05 p.m. to meet again on Friday, May 31, at 11 o'clock a.m.



W. Doc  
Can  
Com  
✓

CAI  
XC2  
-45V21

Canada Veterans Affairs, Ottawa, 1946



SESSION 1946  
HOUSE OF COMMONS

(SPECIAL COMMITTEE)

(ON)

# VETERANS AFFAIRS

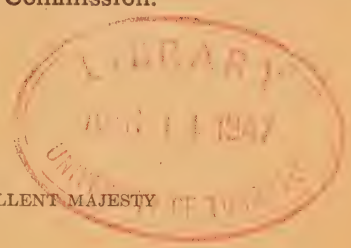
MINUTES OF PROCEEDINGS AND EVIDENCE

No. 25

FRIDAY, MAY 31, 1946

WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the  
Chairman, Canadian Pension Commission.



OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946





## MINUTES OF PROCEEDINGS

FRIDAY, May 31, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, president.

*Members present:* Messrs. Adamson, Archibald, Baker, Belzile, Benidickson, Bentley, Blair, Dion (*Lake St. John-Roberval*), Emmerson, Fulton, Gillis, Green, Harkness, Herridge, Jutras, Kidd, Lennard, MacNaught, McKay, Merritt, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Tucker, Winters, Wright.

*In attendance:* Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission.

Mr. Melville made a statement respecting the Pacific Coast Militia Rangers and tabled a copy of General Order No. 320, a copy of which is printed as Appendix "A" to this day's minutes of proceedings and evidence.

It was ordered that the representations on behalf of the Pacific Coast Militia Rangers be referred to the subcommittee appointed to study the draft bill respecting war pensions and allowances.

Consideration of the draft of the proposed bill to amend the Pension Act was resumed.

Clause 19 was amended by deleting all the words following the words *Provided* that in the twenty-fifth line thereof and substituting therefor the words *no payment thereunder may be made in respect of any member of the forces who has died for any period prior to the date of death.*

Clause 19, as amended, was adopted.

Clauses 16, 17, 18 and 19 were renumbered as clauses 23, 24, 26 and 27, respectively.

Clauses 23 and 24 were adopted.

Mr. Pearkes moved that the draft bill be amended by the addition of the following as clause 25:—

25. The said Act is further amended by adding thereto the following section immediately after section 62 thereof:

62A. There shall be a presumption that an applicant's condition as recorded on his acceptance as a member of the Forces was in fact his condition at that time and that any subsequent deterioration during service was due to such service.

Mr. Herridge moved in amendment that the words *subject to the provisions of paragraph (c) of subsection (1) of section 11 of this Act* be added after the word *service*.

After discussion, and by leave of the committee, Mr. Pearkes accepted Mr. Herridge's amendment.

And the question being put on the said motion, it was resolved in the affirmative.

On motion of Mr. Pearkes, clause 26 was deleted.

Mr. Kidd moved that Schedule B of the Pension Act be amended by increasing the additional pension for children or dependent brothers or sisters to \$360.00 per annum for each child, and by increasing the pension for orphan children or orphan brothers or sisters to \$480.00 per annum for each child.

It was agreed that consideration of Mr. Kidd's motion be deferred until the next sitting of the committee.

Mr. Melville tabled certain suggested amendments regarding hospital allowances, which were ordered to be printed and distributed to the members of the committee.

At 1 o'clock p.m. the committee adjourned until Monday, June 3, 11 o'clock a.m.

A. L. BURGESS,

*Clerk of the Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 31, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Brigadier Melville has several statements to make in answer to questions directed to him yesterday. I will call on him now.

Brigadier MELVILLE: During the proceedings of the committee yesterday Mr. Pearkes raised a question as to whether the Pacific Coast Militia Rangers were covered by the amendment to section 11(2) which provides for the members of the non-permanent active militia and reserve army who served during the period of World War II. The authority for the organization of this corps is contained in general order 320 which I suggest be tabled and printed as an appendix to the proceedings of this date.

The following are brief quotations from that order:

- (I) Membership will not be limited as to age or physique but will be open to any who are considered suitable or can be of use.
- (IV) Drill and training will be voluntary, will entail no expense to the public, and will conform to local requirements.
- (V) The corps will be supplied with steel helmets and distinctive arm bands.

I suggest the order be referred for the consideration of the subcommittee of the main committee which is considering the draft of a proposed bill, an Act respecting civilian war pensions and allowances.

The CHAIRMAN: As you know our idea was that the Pension Act should apply only to those who were members of the armed forces as such, and that any other group who were not actually members of the armed services would be dealt with in this civilian pensions bill. That will include the various groups like fire fighters, and so on. I think the suggestion of Brigadier Melville is a good one, and if that is satisfactory we will refer this question as to whether they want to recommend anything to that subcommittee. Is that satisfactory?

Mr. GREEN: Have there been any pensions paid to any of the members of the Pacific Coast Militia Rangers?

Brigadier MELVILLE: I made inquiry. There have been no claims.

The CHAIRMAN: Is that carried?

Carried.

(General Order No. 320 printed as Appendix "A").

Brigadier MELVILLE: Mr. Green raised an inquiry regarding another corps who were called up under an order and acted as instructors in training camps. One of the hon. members of the committee suggested the order in council was general order 139, dated the 3rd of September, 1939, which is a brief order and is now quoted for the information of the members:—

Calling out the Militia on service.

Pursuant to the regulation made by His Excellency, The Governor in Council, by order in council of the 26th of August, 1939, P.C. 2396, the Minister of National Defence calls out on service, for purposes pertaining

to the organization of the Canadian Active Service Force, such officers and other ranks in the respective military districts as may be selected or detailed therefor by the adjutant-general, effective 26th August, 1939.

Such personnel are members of the forces and accordingly entitled to all the benefits of the Pension Act during the period of their active force service.

During the discussion which took place yesterday a question was raised as to the Superannuation Act in relation to age and also remarriage or marriage which might have taken place after a certain age. I will quote very briefly from certain sections of that Act.

No allowance shall be granted to the widow or any child of a contributor—

Mr. GREEN: What Act are you quoting from?

Brigadier MELVILLE: The Civil Service Superannuation Act. 2(b) of that Act—

Mr. GREEN: What was that again?

Brigadier MELVILLE:

No allowance shall be granted to the widow or any child of a contributor.

- (b) if the contributor married after superannuation or retirement; or
- (c) if the contributor was over sixty years of age at the time of his marriage contracted after the 19th day of July, 1924; (d) if the contributor died within one year after his marriage, unless the Treasury Board is satisfied that he was in good health at the time of his marriage and that there are no other objections to the granting of the allowance.

There is a further proviso in clause 3.

If a contributor marries after the 19th day of July, one thousand nine hundred and twenty-four, and if his age exceeds that of his wife by twenty years or upwards, the allowance to such wife under this Act shall be reduced by such an amount as the Governor in Council may by regulation prescribe.

4. A widow's or a child's allowance shall be suspended or discontinued if, in the opinion of the Treasury Board, such widow or child becomes unworthy of it.

These are the main provisions in the Civil Service Superannuation Act. Mr. Quelch asked as to some provisions which were contained in the Royal Canadian Mounted Police Act. I might refer briefly to the main provisions which have relation to the subject we had under discussion yesterday. Section 53 of part 2 of the Royal Canadian Mounted Police Act, which refers to a grant of pension to widow, reads as follows:—

Such pension or compassionate allowance shall not be granted (c) if the officer married after retirement; (d) if the officer was at the time of his marriage over sixty years of age; (e) in the case of an officer who married after the first day of July, one thousand nine hundred and two, if he was more than twenty-five years older than his wife; (f) if the officer died within one year after his marriage, unless he was manifestly in good health at the time of his marriage, and his death was caused by disease or injury not due to causes within his own control, and there are no other objections to the granting of the pension or compassionate allowance.

These are the relative provisions of the two Acts in question.

Mr. GREEN: What does the New Zealand Pension Act provide with regard to a deadline on marriages?

Brigadier MELVILLE: I have with me a report which has just been completed by a special committee. I have not had an opportunity of studying that, but I will have that reference checked now and will be able to give the information later on this morning.

Gentlemen, giving consideration to this question of widows and date lines I again feel it is necessary to make the position clear, and that is this. In so far as widows are concerned any legislation which has been introduced has been beneficial. To make my point clear, if we go back to World War I, originally the widow was pensionable provided the marriage was contracted before the appearance of the injury or disease causing death. It is very important that the implication of that be realized because in effect it means before the member of the forces left Canada for overseas or left England. That basic provision remained in effect, and in 1928 a widow was eligible if at the time of marriage (a) injury for which pension was payable would not shorten expectancy of life, and (b) the husband was not chronically ill of a pensionable disease and not in receipt of a pension thereof.

In 1930 all previous restrictions were removed providing marriage was contracted prior to January 1st of that year or before pension was granted. That provision remained in effect until 1944 when on the 15th of May P.C. 5/3655 was promulgated which advanced the date line to May 1, 1944, and provided for the payment of a pension to the widow provided (a) she was married to the member of the forces before he was granted a pension; (b) if marriage took place subsequent to the award of pension she was eligible if married before the 1st May, 1944.

So that for a widow to be pensionable as to World War I originally she must have been married to him before the appearance of the injury or disease which caused death, and beneficial legislation has been advanced in 1930 and again in 1944 allowing for marriages which took place prior to those dates.

The CHAIRMAN: There was a question raised on which I was not clear. I should like you to make it very clear. I have been receiving letters from one or two people who are not in receipt of a pension at all but they have got married since the 1st of May, 1944, and the burden of those letters is "if anything happens now I should be entitled to a pension; I should like to have protection for my wife or widow as the case may be." I take it from what you have said now that under the order in council which now exists if any one of these people were to apply for a pension now and it was granted after their marriage, even though the marriage took place after the 1st of May, 1944, the wife would be entitled to a pension and the widow would be under the same circumstances as if the marriage took place before the 1st of May, 1944? Is that correct?

Brigadier MELVILLE: Yes, that is quite correct for World War I.

The CHAIRMAN: So that the people who are writing in that way are under a misapprehension about the present state of the law, apparently?

Brigadier MELVILLE: That is because she was married to him prior to the date on which entitlement was conceded by the Commission. If he was granted a pension and death was attributable to service or he was in receipt of a pension in classes 1 to 11, his widow would be entitled to a pension under the circumstances which you have quoted, but all the remarks I have made are with regard to World War I. That should be appreciated, Mr. Chairman. These restrictions do not apply to World War II. There are cases of pensioners of World War I who have married subsequent to the 1st day of May, 1944. They are not entitled to an additional allowance on behalf of the wife because the marriage took place subsequent to that date, nor would the widow be pensionable in the event of death as the Act stands today.

The CHAIRMAN: Did you have any further statement to make before we start with the Act itself?



Brigadier MELVILLE: No.

The CHAIRMAN: The first item in the bill is item 14 on page 8 of the proposed draft bill.

Mr. GREEN: Item which, Mr. Chairman?

The CHAIRMAN: Page 8 of the proposed draft bill. It starts at the bottom of page 7.

Mr. GREEN: What about paragraph 12? Paragraph 12 of the bill did not pass.

The CHAIRMAN: Yes. Section 12 was carried yesterday.

Mr. GREEN: No. It was section 11 that was carried yesterday, was it not? There was a vote on paragraph 11.

The CHAIRMAN: Well, the clerk tells me that section 12 was carried, but he is checking up now.

Mr. QUELCH: Twelve was carried.

The CHAIRMAN: Yes. The clerk tells me that section 12 was carried as amended.

Mr. PEARKES: That is with the removal of the date line.

The CHAIRMAN: Yes.

Mr. GREEN: Was the date line taken out of both section 11 and section 12?

Mr. QUELCH: It was carried with the date line out.

The CHAIRMAN: The clerk tells me that section 12 was carried. The only thing we can do is go by the clerk who keeps track of these things.

Mr. QUELCH: Carried as amended.

The CHAIRMAN: It was carried as amended.

Mr. QUELCH: The deadline is taken out.

The CHAIRMAN: The deadline is taken out, yes.

Mr. GREEN: Was the deadline taken out of paragraph 11?

The CHAIRMAN: The clerk tells me it was carried as amended. Surely the committee will accept that.

Mr. MUTCH: We cannot do much else.

The CHAIRMAN: We are on clause 14, pages 7 and 8.

Mr. GREEN: Mr. Chairman, paragraph 11 has a date line and paragraph 12 has a date line. I should like to know whether that date of 1st May, 1944, was taken out of both those paragraphs or only out of one.

Mr. WINTERS: Just out of one.

The CHAIRMAN: Would you just advise me, Mr. Burgess, how that stands? I have the record here and it reads as follows:

Mr. QUELCH: Let it stand.

The CHAIRMAN: We could let that stand.

Mr. GREEN: It is 1 o'clock.

The CHAIRMAN: We can carry clause 12 because we let it stand.

What I actually said was this. I have not checked this. I said, "Because we let it stand before in order to add a subsequent subparagraph." When that was added and approved by the committee I suggested that we should carry clause 12 (a). Continuing:—

Mr. PEARKES: Section 12, subject to that date line removed.

The CHAIRMAN: Section 12 (a) on page 2 of the amendments.

That, I think makes it quite clear that it was carried subject to the date line being removed.

Mr. LENNARD: How about section 11?

The CHAIRMAN: That was carried too.

Mr. MUTCH: Subject to the same.

The CHAIRMAN: Are we prepared to go on with the discussion on page 8, having decided that we carried those things?

Mr. LENNARD: Let us get along.

The CHAIRMAN: Carried?

Mr. GREEN: What are we carrying Mr. Chairman?

The CHAIRMAN: Clause 14 at the bottom of page 7 and on page 8:—

14. (1) Section thirty-seven of the said Act, as enacted by section thirteen of chapter thirty-two of the statutes of 1939, is amended by repealing subsection two thereof and substituting the following therefor:—

(2) Notwithstanding any limitation contained in this section, the Commission may, in its discretion, make an additional award not exceeding an amount equivalent to an additional six months' pension, where it is apparent that hardship and distress might otherwise ensue; provided that no payments may be made under this section in respect of any member of the forces who has died, for any period prior to the date of death, or for any period in excess of eighteen months prior to the date on which pension is finally awarded, except as otherwise provided in subsection three of this section.

(2) The said section is further amended by adding thereto the following subsection:—

(3) Notwithstanding any limitations contained in this section, the Commission may, in its discretion, in respect of service during World War II, make an additional award not exceeding an amount equivalent to an additional eighteen months' pension where, through delays in securing service or other records or through other administrative difficulties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue: Provided that payment thereunder may only be made in respect of awards made on or after the first day of January, 1945, and that no such payment may be made in respect of any member of the forces who has died for any period prior to the date of death.

Mr. GREEN: We were asking, under that clause, why there is the date there of 1st January, 1945.

The CHAIRMAN: It was decided that, in a similar clause having to do with a disability, it would be removed; and I do not see any reason why it should not be removed from this one too. I am prepared to entertain a motion to that effect.

Mr. GREEN: I would so move.

The CHAIRMAN: It is moved there be deleted the words "Provided that payment thereunder may only be made in respect of awards made on or after the first day of January, 1945."

Mr. MUTCH: What page is that?

The CHAIRMAN: Page 8.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Carried. Is the clause as amended carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: The next item is clause 16 on page 9.

16. Subsection one of section fifty-two of the said Act, as enacted by section twenty-one of chapter forty-four of the statutes of 1936, is repealed and the following substituted therefor:—

52. (1) When an application with respect to service in World War I is first made to the Commission after the coming into force of the amending Act of 1936, the Commission shall expeditiously consider such application and shall collect such relevant information, if any, as may be available in the records of any department of the Government of Canada and make, through its medical and other officers, such enquiry as appears advisable into the facts upon which the application is based; if satisfied on the material available, that the applicant is entitled to a pension, the Commission shall then award such pension, and shall take the necessary steps to cause payment of such pension to be made.

The purpose of this is to restrict the procedure whereby there is a first and second hearing and so on only to those claiming pension in respect to World War I, and section 52A sets up procedure ratifying the present system that has been established by order in council, providing for a different procedure in respect of service in World War II. But it is necessary to amend section 52 to restrict it only to World War I, and that will leave the law exactly as it is today. Is that clear to the committee or would the committee like to hear from the chairman of the commission on that point?

Mr. Mutch: No; carried.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: We can have it explained in connection with section 52 and 52A and we can carry both of them.

Mr. Mutch: Let us hear the explanation of section 52.

Brigadier MELVILLE: In 1936 the Pension Act was amended in order to provide for procedure which would allow of claims for pension arising out of World War I being properly prepared, presented and brought to finality. This procedure was briefly as follows:—

(a) The original decision of the commission was termed a first hearing and if the application was not fully granted, the applicant was notified that he had the right to ask for a second hearing, provided notification in that regard was received from him within 90 days.

(b) When this application was received, the district pensions advocate completed a summary of the evidence which was prepared from the documentary record completed on service and any which might have accrued during the post-discharge period. The summary, when complete was forwarded to the claimant and he had 6 months to review the same and make any additions. When he signified his agreement with the summary, the advocate so notified the commission and the claim was reviewed, and what is known as a second hearing decision was rendered. If on the second hearing the claim was not fully granted, the claimant was again notified by the commission of his right to request a hearing before an appeal board of the commission. Again he had 90 days in which to intimate his intention in that regard, and when the application for an appeal board hearing was received by the commission it was listed and heard as soon as possible thereafter.

That, gentlemen, is the procedure which is in effect for World War I claims. It is a most excellent procedure and it works out most satisfactorily. It gives every advantage and every assistance to the claimant for pension and it does bring some degree of finality. But the decision of an appeal board is not



necessarily final, and an applicant may under certain conditions apply for leave to reopen and have his claim reheard. So that what you are being asked to do here now is to amend section 52 (1) by the addition of the words "with respect to service in World War I." Shall I go on to 52A?

The CHAIRMAN: Can we carry 52 (1)?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: That is carried. Now, 52A sets up the procedure in regard to World War II.

17. The said Act is further amended by adding thereto the following section immediately after section fifty-two thereof:—

52A. (1) In respect to all applications for entitlement to pension arising out of World War II the Commission shall expeditiously consider each application and shall collect such relevant information, if any, as may be available in the records of any department of the Government of Canada and make, through its medical and other officers, such enquiry as appears advisable into the facts upon which the application is based: if satisfied, on the material available, that the applicant is entitled to a pension, the Commission shall then award such pension, and shall take the necessary steps to cause payment of such pension to be made.

(2) Whenever such application is not wholly granted, the Commission shall promptly notify the applicant, in writing, of its decision, stating the grounds therefor, and shall inform such applicant that he may renew his claim, before the Commission on the submission of additional evidence, or before an Appeal Board of the Commission in person or by or with a representative, with or without additional evidence.

(3) When the applicant renews his claim before the Commission, as provided for in subsection two hereof, and the Commission is satisfied, on the material available, that the applicant is entitled to pension, it shall then award such pension and shall take the necessary steps to cause payment of such pension to be made, but if this renewed application is not wholly granted, the Commission shall notify the applicant in writing, of its decision, stating as before, the grounds therefor, and shall inform him that he may, if he so desires, appear before an Appeal Board of the Commission.

(4) The Commission may, in its discretion, entertain a further application in respect of any injury or disease resulting in disability, prior to a hearing by an Appeal Board of the Commission, but after a hearing by an Appeal Board, the Commission may entertain no further application in respect of any injury or disease whatsoever, subject, however, to the provisions of subsection four of section fifty-seven of this Act respecting leave to reopen an application in certain instances.

(5) After a decision has been rendered by the Commission, upon the applicant's written request, the Commission will arrange for a hearing by an Appeal Board of the Commission subject to the following conditions:—

(a) That additional evidence may be submitted;

(b) That prior to an Appeal Board hearing, the applicant has submitted to the Commission a statement, signed by himself, setting forth all disabilities which have been previously ruled on adversely by the Commission, and which he claims to be the

result of injury or disease or aggravation thereof attributable to or incurred during military service, in regard to which he may desire to claim pension;

- (c) That no member of an Appeal Board of the Commission shall adjudicate upon any case coming before an Appeal Board pursuant to the provisions of this section, if such member has previously sat as a member of the Commission at any hearing of such case, as herein provided, unless the applicant's consent thereto has first been obtained.

(6) Upon request of an applicant for an Appeal Board hearing the Commission shall notify the Veterans' Bureau accordingly and the Veterans' Bureau shall thereupon prepare a summary of all available evidence relating to the claim and shall mail a copy of the same to the applicant, or to such representative as he may direct.

(7) Where an applicant is suffering from a neuropsychiatric disease, it shall be a matter within the discretion of the Commission whether either the applicant or his representative shall be furnished with a summary of evidence.

Brigadier MELVILLE: It was found, gentlemen, fairly early during World War II that the procedure which I have outlined was herding the men into going through with their claims in a hurry, and it was not entirely to their advantage. The commission was definitely of that opinion. We felt that many cases would go to appeal, that the decision of the appeal board was final except for that provision in 57 (4) of the Act which allows of leave to reopen, and that many latent disabilities might later become manifest. There was the added factor that after a long period of service many men were restless and disturbed and so on, and did not have the time or the opportunity to sit back and consider just what was the right thing they should do with regard to their claims. There was the other factor, that the commission adopted an entirely new procedure. An applicant for pension as defined in the Act is anyone who applies for a pension, anyone on whose behalf application for pension is made, or any member of the forces in whom a disability is shown to exist at the time of his discharge. I previously have intimated to the committee that the commission reviews the proceedings of every medical board on discharge; and if we consider a disability exists at that time, we take immediate action towards a review of the case and submission to the commission, and we get that decision out very rapidly.

The new procedure which is provided for in section 52A of the Act is this. The first decision rendered by the commission for claims arising out of World War II is called an initial decision. When that decision is rendered, the applicant is notified of the decision and the reasons leading to the decision, and of the action he should take if he desires to proceed further with his claim to pension. He is told that he should seek the assistance of the district pensions advocate or one of the recognized organizations of ex-servicemen, or his own advocate. But there are no time limitations. There is none of this limitation of 90 days in which he has to state his intention and if he does not he cannot go any further. There are no time limitations whatever. He may renew his application before the commission at any time. He may seek any assistance he wishes in that regard. The commission would then render what we term a first renewal decision; and if, after that first renewal decision, the applicant felt that he could bring forward additional evidence, the commission is quite prepared to give a second renewal consideration. From that stage and at his own time the applicant may go before an appeal board of the commission. I may say, gentlemen, that that procedure has worked out to the utmost satisfaction. It has met with the entire approval of the veterans' organizations. There is no question whatever that it meets the best interests of the applicant and it is working very smoothly and very effectively.

The CHAIRMAN: I presume the members of the committee have studied 52A. It just outlines in legal form what Brigadier Melville has just stated.

Mr. MUTCH: Carried.

The CHAIRMAN: May we carry that?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: The next is clause 18.

Mr. PEARKES: Before you go on to clause 18 which deals with section 67, I should like to raise a point in connection with section 62 of the Act, which is the benefit of the doubt section. I think it is generally conceded that that benefit of the doubt section has been an excellent guide to those who were adjudicating on questions of pensions and it has been of very great assistance to the pensioners who are applying. I feel that the time has now arrived when that could be extended, and I would therefore propose to move an amendment that there be an addition to that section so as to enter a clause of presumption as to the applicant's condition on enlistment. This will apply particularly to veterans of World War II; and we all know that the medical examination when men were taken into the service in this war, was exceptionally thorough. I believe it would be an assistance to the boards and to the veterans if a similar guidance was given to them as is now contained in this benefit of the doubt clause. I therefore move that a subsection, which might be called 62A be added reading as follows:

There shall be a presumption that an applicant's condition as recorded on his acceptance as a member of the forces was in fact his condition at that time and that any subsequent deterioration during service was due to such service.

That is not binding; it is just an assumption which shall be recognized.

Mr. MUTCH: A presumption.

Mr. PEARKES: And it is similar to this benefit of the doubt clause. Therefore I have much pleasure in moving that amendment.

Mr. MUTCH: Is there any real difference other than the wording? I should like to know if that in any sense affects it? Under the benefit of the doubt section 62, it says they shall draw from all the circumstances of the case, all reasonable inference in favour of the applicant. I am not opposing this suggestion. I am asking if it is not just another way of stating that there shall be a reasonable inference. If it is a presumption, then is not that already covered? What is the difference between the two? Perhaps the chairman of the pension commission could give us some idea. I cannot.

Brigadier MELVILLE: My feeling, and the opinion of my colleagues, is very definitely this. Other countries have introduced a presumption. Why? Because they have not got the legislation that Canada enjoys to-day. And now that the insurance principle has been restored, we do not require any presumptions in our legislation. If the condition was incurred on service, it is pensionable. Frankly, I do not see what there is to be gained. I beg your pardon. I had better not start to criticize. I may be getting off my beat. I will explain, all the same, how we apply this benefit of the doubt clause; and may I say that the benefit of the doubt is given with respect to every application—and I mean every application—that comes before the commission. In those cases where there is probably a little added benefit of the doubt, they are held at the board room table each day. Then, when the commissioners get through with their regular work in the morning, dealing with the mass of cases then in hand, they study, deliberately, and carefully, these cases where there is a question of doubt. By having a number of commissioners, I assure you that benefit of the doubt is extended in favour of the applicant. Section 62, the so-called benefit of the doubt section, first appeared in the Pension Act in 1930 and reads as follows:—



62. Notwithstanding anything in this Act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences in favour of the applicant.

May I point out that this section does not direct that any or all doubt must be resolved in favour of the applicant. It states that an applicant shall not be required to adduce conclusive proof but that the adjudicating body shall draw from all the circumstances of the case, etc., all reasonable inferences in favour of the applicant.

The only possible inference from the use of the words "conclusive proof" in the section, is parliament requires that there should be some proof, not necessarily conclusive. There must be some proof of an affirmative nature from which a reasonable man may infer that the disability or death was attributable to military service and that where there is evidence to the contrary, balancing one side off against the other, while the preponderance of evidence may be largely against the applicant, nevertheless, if a reasonable doubt exists, the applicant shall receive the benefit of it. There must first be some positive or affirmative proof from which such a doubt may properly arise. Suspicion, conjecture, and possibilities are not proof in any sense, and cannot form the basis for the application of this principle.

Mr. Mutch: You are using the word "proof" in a sense that I think the average layman uses the word "evidence". Does some of the difficulty arise out of the fact that there must be some proof? To my mind, as a layman, proof is either positive or it is only evidence.

The Chairman: I do not know what you mean; perhaps Brigadier Melville does not either.

Mr. Mutch: I shall permit the Brigadier to finish and then I shall ask him a question.

Brigadier Melville: It is not enough that there is no evidence to show just what the origin of the disease was, or that the origin is obscure, from which to infer a reasonable doubt as contemplated by the Act. Nor is it intended to permit an adjudicating body to disregard definite evidence in the record.

An example of the operation of this section is where a member of the forces has three enlistments. There was a question as to whether a disability from which he was suffering arose during one or more of the periods of his enlistments, or during the intervals between the different enlistments. The question was one which could never be established with any degree of satisfaction. It was held that the applicant was entitled to the application of section 62 and an award was made in his favour.

This principle has its broadest application in connection with claims arising out of C.E.F. service. From 1919 to 1946 is twenty-seven years and an applicant who endeavours to establish that his present condition is attributable to some incident which happened to him during service in 1917 or 1918, without the benefit of this section, would be faced with an extremely difficult task. For example, it must be established in the first instance that he suffers from the condition claimed: secondly, the service incident which he alleges as the cause must be established.

There is a twenty-seven to thirty year gap between alleged cause and first claim for pension.

The Commission having duly weighed all the evidence, and balanced one possible cause against the other, draws all reasonable inferences in favour of the applicant.

The opinion of medical men as to the origin of disease can only be of value when it is based upon properly established facts from which the doctor may draw his inferences or base his opinions. There must be some proof of a substantial nature from which an inference can reasonably be drawn. I think it should be understood that in order to raise a reasonable doubt as contemplated by section 62 of the Pension Act there must be some facts established from which such reasonable doubt can be inferred.

And that, gentlemen, is the general policy of the Canadian Pension Commission in the application of section 62 of the Act.

Mr. GREEN: Mr. Chairman, I suggest to the committee that this is one of the most important points that can be considered by the committee with regard to the Canadian pension law. It goes very deep. I think that the proposed amendment meets a problem that has been very clear-cut during the present war, and I would like to read it over again:—

There shall be a presumption that an applicant's condition as recorded on his acceptance as a member of the forces was in fact his condition at that time and that any subsequent deterioration during service was due to such service.

Mr. BENTLEY: Would you permit me to ask the mover of the motion a question before you go on?

Mr. GREEN: Yes.

Mr. BENTLEY: I would like to ask the mover of the motion if the intent of the resolution he moved is the same as the recommendation of the Legion on the fourth page of their submission with the words "subject to exceptions in section 11(1)(c)" struck out?

Mr. PEARKES: No, it is different. I have not got that before me. This is a presumption clause. It does not tie the commission down, but I do feel it removes a great deal of doubt in the mind of a great many veterans all over the country who have been talking about this; and if this presumption clause is put in I think it will assist the commission and will also help to clarify the actual state of affairs in the mind of the veteran. I agree that the commission has reviewed cases in the past very well and they have given the benefit of the doubt, but I think the impression exists that the benefit of the doubt has little to do with pre-enlistment condition.

Mr. GREEN: Here is the way that the layman is entitled to look at the situation at the present time. A young man goes into the forces; he is accepted as being physically fit and in first-class shape; he serves perhaps a year, perhaps three or four years, and at the end of that time he is discharged as medically unfit; yet it is held that his condition was a pre-enlistment condition and he is not entitled to any compensation from the state for that loss of health. Now, that has happened in many cases. I do not doubt that every member of this committee knows of cases of that type. You cannot convince any person who is interested in a case of that type that that decision has been fair because, in effect, that man's health has been sacrificed for the state. I am convinced now that many cases of that type have happened, and I believe that they are not being met by the benefit of the doubt clause. The proof that they are not being met is in the very findings themselves. Brigadier Melville tabled figures some weeks ago to show what had happened on pension applications where men had been discharged as medically unfit, and these figures show that of the men who served in a theatre of war—the first set of figures does not refer to men in Canada—but of the men who served in a theatre of war 7,810 were not granted any pension entitlement because it was found that they had a pre-enlistment condition not aggravated by service. In other words, those 7,810 men were taken into the war service, taken overseas, brought back and discharged as physically unfit and were not entitled to any pension under our Pension Act as it stands



at the present time. Now, surely that situation cannot be justified; there is something wrong when we get those results on the admission of the commission itself.

Then the Brigadier gave figures where there was service wholly rendered in Canada. According to those figures there were 54,207 young Canadians discharged as medically unfit and yet were not granted entitlement because there was pre-enlistment condition not aggravated by service. I cannot see how we can rest content with the Pension Act in its present position when we get that result.

Mr. WINTERS: How many did you say?

Mr. GREEN: 54,207. These men are right outside of the men covered by the insurance principle. The men covered by the insurance principle are listed under another category. 54,207 men who served in Canada and 7,810 with overseas service were discharged as medically unfit, and yet could get no entitlement under our Pension Act on the ground that they had a pre-enlistment condition not aggravated by service. That represents over 62,000 young Canadians.

Now I suggest to the committee that what has happened is this: there is a conflict between the doctors. The first doctor passes a man and says he is all right and they take him into the forces. Two or three years later another doctor says he is not all right and recommends that he be discharged. The man is discharged. Then a third doctor in the Pension Commission says, "Oh, well, what he had was a pre-enlistment condition and therefore he is not entitled to any pension." It is a matter of three sets of doctors. The situation is simply intolerable on that basis.

Now, it is not as though the medical examinations have not been carefully made. We all know how much more careful the doctors were in this war than in the last war. Yet we get this position. The British ran up against the same difficulty. We had Mr. Parker here giving evidence a few weeks ago and he explained to us that they have in Great Britain the benefit of the doubt clause just as we have here but they found that that was not enough and they added a presumption clause. Members will find his evidence on that point at page 421 of the proceedings of the committee. He read the two clauses. Here is the benefit of the doubt clause:—

In no case shall there be an onus on any claimant under this our warrant to prove the fulfilment of the conditions set out in paragraph (1) of this article, and the benefit of any reasonable doubt shall be given to the claimant.

That is the benefit of the doubt clause in Great Britain.

Where an injury or disease which has led to a member's discharge or death during war service was not noted in a medical report made on that member on the commencement of his war service, a certificate under paragraph (1) of this article shall be given unless the evidence shows that the conditions set out in that paragraph are not fulfilled.

He went on to say:—

That is what is known as the 'presumptions' clause. At page 425 he explained the reasons for this legislation. I asked him this question: "What was the reason for adopting this third article of the Royal Warrant? What set of circumstances led up to that change?" and Mr. Parker said, "There was a good deal of discussion in the House of Commons in 1943 on the provision in regard to war pensions. At the time the government went into the whole matter and they felt that to some extent the criticism was based on misunderstanding and to some extent



the criticism had raised points which were worthy of consideration and modification. As a result of a very full review of the whole subject the government decided that in future the basis of entitlement should be expressed in the way in which I have read it to you. I think in further explanation of that all I can say is that the government felt that expressing things as they did represented a fair deal for the man and a fair balance.

I suggest that this proposed amendment does exactly that same thing and it will represent a fair deal for the man and a fair balance. The presumption is not an absolute presumption; it is of necessity, rebuttal, that is the intention of the amendment; but it will be up to the state to show that the young man's loss of health was not due to his service. I am not questioning the Pension Commission at the moment. Brigadier Melville has advocated just retaining the benefit of the doubt clause. Frankly I think that the commission themselves would give more satisfaction to the veterans if they had also this presumption clause, and I am sure that it would enable them to interpret the Act in a manner which would be far more in line with the wishes of the Canadian people than they can do at the present time without any such clause. This suggestion is made with great earnestness, and I would appeal to the members to support it. I think it will be of great benefit to the veterans.

Mr. HERRIDGE: Mr. Chairman, I would like to say a few words on this amendment. I have had considerable experience in presenting claims for veterans to the Canadian Pension Commission and claims for veterans who had Imperial service. I will say this, that as the result of twenty-five years' experience in that condition, regardless of what is written into the British Act or regulations, my experience has been that under this regulation the British have been very much tougher than the Canadian authorities have been. Now, I will ask the chairman of the commission this question. There are these words: "There shall be a presumption that an applicant's condition as recorded on his acceptance as a member of the forces was in fact his condition at that time." Now, is it possible for that amendment to actually, in some cases, work to the disadvantage of the applicant rather than in his favour? Can there be too much presumed? What about these words:—"was in fact his condition at that time"? I should like the chairman of the commission to answer that question.

Brigadier MELVILLE: Mr. Chairman and gentlemen, I would like to have a little time to discuss with my colleagues and to consider the resolution which has been advanced before answering any questions. I find it very difficult. "There shall be a presumption that an applicant's condition as recorded on his acceptance as a member of the forces was in fact his condition at the time." I have a case in mind of two members of the forces wearing an artificial eye. It was not recorded at enlistment. There is also the case of an amputation.

Mr. GREEN: That presumption would be overcome in a case of that kind.

Brigadier MELVILLE: Well, that is why I would like to study the matter.

Mr. QUELCH: I like the amendment because I think it places the emphasis on the point that should be emphasized. If I understand the situation well, it will be this, that upon a man's discharge it will be presumed he had the disability or that his condition was the result of war service, unless that condition has been recorded at the time of his enlistment. Nevertheless, in spite of that fact, under section 11(1) (c) the Pension Commission would have the right to investigate and to say whether or not it had been recorded prior. Unless they are absolutely convinced as the result of an examination that it must be of pre-enlistment origin, or unless the history of that man during the war appears to prove to them that it must have been of pre-enlistment origin, they will recognize his condition as being of war service.

Brigadier MELVILLE: That is what we do now.

Mr. QUELCH: That is why I say I do not see that you can object to the amendment; the only thing the amendment does is emphasize the presumption that his condition was as recorded at the time of enlistment.

Brigadier MELVILLE: I hope, Mr. Chairman, that I have not objected to the amendment.

Mr. MUTCH: Mr. Chairman, I think all of us would be anxious to do anything which would make it more mandatory to administer the benefit of the doubt section for the advantage of the applicant. I think that has been the attitude of everyone on this committee who has been on former committees. I am quite sure that it is the attitude of all of us who are here. I am not taking any exception to the amendment beyond trying to be perfectly frank about it. In my own honest conviction, having seen this only this morning, and without mature consideration, I think that the amendment as at present worded is not madatory.

In my view it does not add anything to the powers of the Commission itself. Mr. Green has advanced the argument that it puts the benefit of the doubt clause in language which is more understandable to the applicants themselves. At least, that is the interpretation I put on his remarks. Frankly I cannot see how the amendment as suggested can do a single thing for any one of the 54,000 or 7,800 persons Mr. Green mentioned. Unless it can be shown on mature study that this amendment will work to the disadvantage of any of the applicants I personally would be inclined to support it, but I would not support it without saying perfectly frankly to this committee, and to any one who is interested in it, that in my opinion the amendment is simply kidding the applicants.

Mr. GREEN: Oh, no.

The CHAIRMAN: Order, gentlemen. Mr. Mutch is entitled to his own opinion.

Mr. MUTCH: I made my living out of the publicity business, and I know publicity when I see it. I am saying right now in my opinion as it is worded it takes nothing away from the powers of the Commission at the present time and it adds nothing to them.

Mr. QUELCH: Do you not admit that it might help to reassure the soldiers?

Mr. MUTCH: I said a moment ago if it will do that it is the only thing it can do. You are increasing the words. You are not affecting the powers of the Commission. If it gives anybody any comfort as far as I am concerned I am prepared to accept it, but it is a pure unadulterated question of kidding the troops, in my opinion.

Mr. GREEN: I think that is not a proper suggestion and should be stricken off the record, because it can only be interpreted as insinuating that those of us who are supporting this amendment are kidding the troops, and there is nothing further from our minds. We are trying to do what we think is of benefit to the veterans. I suggest Mr. Mutch does not really mean that insinuation.

The CHAIRMAN: I take it he meant the effect of it would be that it would do nothing to help the troops.

Mr. MUTCH: There is no personal reflection.

The CHAIRMAN: I do not think he meant you were trying to kid the troops. I think he meant that our committee by doing this would appear to be doing something when actually it was doing nothing. I think that is what he meant.

Mr. MUTCH: I think my record is clear. I do not think I have ever cast any personal aspersions in this committee in ten years. I was not doing it now.

I linked myself with it. I said, "I will support it on the information I have now", but I declared quite frankly that I think anyone who reads it will be perfectly justified in coming back and saying, "Thank you for nothing".

Mr. PEARKES: I do not think Mr. Mutch and myself are very far apart. I think perhaps it is on the interpretation of the words "kidding the troops". I understand kidding the troops to mean encouraging them and restoring their confidence. I am quite in accord with that. I do not think Mr. Mutch means that we are trying to mislead the troops.

Mr. MUTCH: Absolutely not.

Mr. PEARKES: Therefore, in this respect I feel that we are not miles apart. I do believe that this will restore the confidence of the troops in the Commission because the average veteran does not have an opportunity to study in detail all these regulations. He is not a lawyer. He cannot understand all these legal phrases. I think he would welcome having this amendment. I have submitted this amendment in all sincerity for that reason.

The CHAIRMAN: Mr. Gillis.

Mr. GILLIS: I think the amendment is one that should be carried by the committee. I agree with Brigadier Melville that theoretically the amendment here as set out is a matter that is within the discretion of the Commission, but I have in mind another set of circumstances as to many men who have been ruled as pre-enlistment. Every one of those cases came into the service A-1, fit for service. I do not think any man was accepted into the service who showed any signs of being psychopathic, but the fact that he was a little weak upstairs and was taken into the service and booted around broke him down. This amendment is very clear cut in my opinion. It would place the Commission in the position of taking the man's attestation papers, and if he was accepted A-1 then his mental deterioration would be attributable to service.

The CHAIRMAN: You are misunderstanding the effect of the amendment, Mr. Gillis.

Mr. GILLIS: I am expressing it as I see it.

The CHAIRMAN: I would suggest to you—

Mr. GREEN: Let him finish.

Mr. GILLIS: I agree the amendment can be used in many cases where the applicant on enlistment showed some disability, or it might be some disability that the doctor thought would be corrected with service, and to the extent that was aggravated during service a pension would be granted. In my opinion the language used in the Act at the present time is very ambiguous, and is subject to all kinds of interpretations. This is merely getting away from the legal phraseology and the loopholes that exist if they do not want to be fair in a case where there is some doubt. I think that this is in layman's language and it is easily understood. If the Commission are doing this now it merely clarifies the situation and enables the average person who is dealing with pension claims to make a decision on the basis of this amendment. Brigadier Melville said they are doing that now and I think we are really swinging the words around so it is more easy to understand. I think this amendment should be carried by this committee without very much discussion.

The CHAIRMAN: Your remarks, Mr. Gillis, just bear out what I had in mind myself. These words appear to have a meaning to an ordinary layman, and would have a meaning to the average applicant, which they do not have at all. They are liable to lead to a tremendous amount of controversy and bad feeling just the same as the adoption of the words did when they were put in the British Act. There was a similar rebuttable presumption put in the British Act. A lot of troops immediately thought that would mean that their condition as shown on enlistment would be taken definitely as their condition actually when they did enlist. It went to the High Court there and the ruling was that this



was like any other rebuttable presumption, that if there was no other evidence at all then that evidence would prevail, but if there was any other evidence it would all be weighed and the pension authorities would have to come to a conclusion as to what they thought was right in the matter.

As I take it that is the effect of this amendment, that you take the conditions as recorded on his attestation documents. If there is nothing more at all and the man comes out of service with a bad condition then, of course, the only evidence the Commission would have to go on would be his attestation documents, and under the law as it stands at present they must find in his favour, but if there is any other evidence even with this section in they then have to weigh all the evidence and you are back where you started from. In other words, you have got to decide what is right on the facts as disclosed by the evidence. In other words, we arrive back at the same position as the British have now arrived at, that the only person you help is where you have got his service documents and practically nothing else bearing on the case.

Mr. GREEN: Mr. Chairman—

The CHAIRMAN: May I present the thing as I see it? I did not interrupt you.

Mr. GREEN: I know, but your statement is not quite correct.

The CHAIRMAN: All right, may I leave the chair and speak to this? Will you take the chair, please, Mr. Mutch?

(Mr. L. A. Mutch now presiding.)

Mr. TUCKER: There has been a real attempt to muzzle me in this committee, and I have the right to speak. Mr. Green spoke at considerable length this morning on this matter. I think as a member of this committee I have the right to speak. Surely I have the right to speak.

Mr. GREEN: Sure, go ahead.

Mr. TUCKER: I did not think I was infringing on the rights of the committee when I spoke. I waited until everybody else had spoken, and I do say that I am sorry Mr. Green saw fit to object to my right to speak from the chair.

Mr. GREEN: Not speaking, just arguing from the chair.

Mr. TUCKER: May I say this speaking now from this position, that if there is no other evidence except his attestation documents the Commission would be bound to find in his favour, but if there is any other evidence, it being a rebuttable presumption, they would then have to weigh the evidence and if after taking into consideration the evidence on attestation and the other evidence the Commission is in doubt, the Commission would still have to find in favour of the applicant because of the benefit of the doubt clause.

It is my humble judgment that this amendment does not change the law as it would affect the applicant in one single bit of a degree, not at all. The only thing is this. As Mr. Gillis said the average layman applicant would read that section and say, "Here, there was nothing on my attestation papers. It says there is a presumption that that was my condition when I enlisted and the Commission have found that actually I had it before I enlisted. The Commission have not carried out the law." You are going to have misunderstanding pile up on misunderstanding, attacks on the Commission that they have not administered the law just for the reason Mr. Gillis gave, that this seems to be plain language which the layman can understand, but actually it does not mean that at all. That is the danger of it. It has a legal meaning which I have stated.

Mr. MERRITT: You have stated it wrongly.

Mr. TUCKER: No, I have not stated it wrongly. I have stated it exactly right and in accordance with the British interpretation. The High Court of Great Britain has interpreted those words that the presumption is a rebuttable presumption, and if there is other evidence then the evidence must be weighed. Then, of course, you come into the field, what ruling are you going to make on

the evidence? If you are still in doubt then you have got to resolve it in favour of the applicant on account of the benefit of the doubt clause. In other words, this so-called rebuttable presumption will not help the applicant, in my opinion, and I think I have some standing as a lawyer. I think I have some knowledge of this Pension Act. I have studied these cases based on the Pension Act. I think I know the effect of a rebuttable presumption, and I suggest to this committee—and I do not think Mr. Green will deny it...

Mr. GREEN: Be careful what you say.

Mr. TUCKER: ...that my suggestion as to the effect of a rebuttable presumption is correct in law.

Mr. GREEN: You have gone too far with your statement.

Mr. TUCKER: You cannot say in what way I have gone too far, and I challenge you to do it. That being the case are we wise, when it will not help the applicant, to foist upon the Commission a wording which is going to be misunderstood by lots of applicants? That is the only objection I see to it. I do not think it will help the applicant. I do not think it will hurt the applicant, but it may mislead lots of applicants who are declined by the Commission into thinking they have not got justice according to the Pension Act. It will lead to controversy in the administration of the Act. It will not hurt anybody or help anybody so far as getting a pension is concerned.

Mr. QUELCH: May I ask the chairman this question? Is not your argument based upon the assumption that the individual will only read this section of the Pension Act? Surely if an individual read section 11 (1) (c) he could not possibly arrive at the conclusion you have come to.

Mr. TUCKER: No, but what I am saying is this, that if Mr. Gillis, a most intelligent member of this committee, and I mean it, and a man of considerable experience in this committee, on looking at this amendment comes to the conclusion which he did then what is the average applicant going to think about this? That is the question I put to the committee. That is why I suggested to Mr. Gillis that what he said bore out the only objection I can see to the thing. He has sat on committee after committee of this nature, and after giving it study which the average applicant never could give it he immediately arrives at that conclusion hundreds of others will do the same.

Mr. MERRITT: Speaking as a lawyer also with perhaps not the same prestige as Mr. Tucker...

Mr. TUCKER: I do not claim prestige at all.

Mr. MERRITT: I want to state right now that in my view as a lawyer this amendment would make a very great difference in the present law, and a very great difference in favour of the applicant. I do not think that in any way it is an attempt to kid him or build up his morale. I think it has the following very important legal effect. It shifts the onus of proof that a disability was not a pre-enlistment disability from the applicant on to the Commission.

As the law stands at present in these cases where the origin of the disability is obscure or where it may not be very clearly attributable to something that happened during service, then despite the benefit of the doubt clause the Commission is bound to require from the applicant the proof of a negative. That is the proof that prior to enlistment he had no illness or injury of the general nature of the illness or injury for which he is making a claim. The Commission under the benefit of the doubt clause does not require conclusive proof of that negative but it does—as the chairman of the Commission said just a few moments ago—require from him some evidence that he had no previous injury or disease which could have led to this condition which is found at the time of the application.

The effect of this proposed amendment will be to shift from the applicant the onus of adducing some evidence that he was not injured or diseased prior to enlistment onto the Commission, and in these cases of obscure origin it will then be up to the Commission to prove an affirmative, that is, to prove that in fact he did suffer from a pre-enlistment disability. In that respect it will make a very great difference to the application of the law because although no one doubts that the Commission when they sit around the board room, as Brigadier Melville has explained, give the most anxious and careful consideration to these problems, they do under the present law approach each case, and they must, with this in mind, "Now, here is the evidence that the applicant has brought forward. Has he given us evidence upon which we can find that this was not a pre-enlistment condition." Having searched that evidence if they do not find on the applicant's case some such evidence then they must rule against him, but here with this amendment when they sit around the board room, although their discretion still exists, and although they can even with the amendment find a pre-enlistment condition, they approach it in the frame of mind that it is not up to the applicant to show that he has not a pre-enlistment condition. It is up to them, the members of the Commission, to show that he has. That makes a very important difference in their frame of mind. It completely shifts the onus of proof and is a very material change, in my view, in the present section, and a very important one in favour of the veteran.

Mr. TUCKER: Surely you do not suggest as a lawyer that a rebuttable presumption shifts the onus of proof?

Mr. MERRITT: That is exactly what it does.

Mr. TUCKER: I suggest you go and study the law books then.

Mr. GREEN: That is very unfair.

Mr. TUCKER: Surely you do not suggest, Mr. Green, that a rebuttable presumption shifts the onus of proof. A rebuttable presumption simply lays down a rule of law, and if there is evidence the onus of proof still is on the person who must make out his case. There is no lawyer will deny that.

Mr. FULTON: It is up to them to adduce evidence.

Mr. MERRITT: I would deny it.

Mr. TUCKER: On that point my friend, Mr. Merritt, said that if you had the attestation papers which showed the man to be in physically good condition and no other evidence at all and he comes in claiming a disability that arose during service there must be a ruling against the applicant. By the insurance principle there must be a ruling in favour of the applicant because the only evidence would be that he came into the service in good condition. There is no evidence to the contrary. He comes out of the service with a condition which he must have incurred in the service. Therefore he must get a ruling in his favour. Why a member of this committee would take a set of facts like that and arrive at the conclusion there must be a ruling against the applicant on those facts I cannot understand.

Mr. MERRITT: May I say this? Perhaps Mr. Tucker and I had better settle our legal differences outside this committee room. He has stated his view. The committee may choose.

Mr. BAKER: Regarding this clause, I have heard the lawyers speak about it, but the word "presumption" or "presume" is something I am very wary of, and I have not used the word for ten years. They have been speaking from the lawyers' side, but let me say that I had the misfortune to be on the witness stand one time, and after the judge and the lawyers had taken a few rounds out of me I was just about sagging on the ropes. Wanting to get some evidence out I said, "I presume". The judge said "What?" I said, "I presume". Well, I had it after that. My whole point is if the resolution is going to help in any



way I am 100 per cent behind it, but if it is going to create confusion I would rather see the section stand as it is. I am not convinced yet that it is going to help, but if it can be proved to me I will back the resolution.

Mr. HERRIDGE: This legal argument is rather beyond the range of the layman members of this committee.

The Acting CHAIRMAN: Imagine my position.

Mr. HERRIDGE: I have listened to the objections outlined by Mr. Tucker, and to prevent any misunderstanding on the part of applicants for pension and a consequent increase in the difficulties of the Canadian Pension Commission I wish to move the following amendment to the amendment:—

That at the end of the amendment there be included these words, "subject to the provisions of section 11 (1) (c)."

Mr. QUELCH: Speaking to Mr. Herridge's amendment, I would point out that I think it does remove the objections raised by Mr. Tucker. There would be the danger that a lot of publicity might be given to the first amendment. Veterans might read that amendment and come to the conclusion that they would be awarded a pension for their condition as recorded at the time of enlistment. If the clause suggested by Mr. Herridge was added then they would immediately get hold of the Pension Act, read section 11 (1) (c) and find out what the true situation was. They would not arrive at any wrong conclusions.

Mr. BLAIR: This seems to be a lawyers' field day, but as the lone member of the medical profession I should like to get my spoke in. I should like to cite the case of one of my own patients. It may have some bearing on this. This man is married and has a wife and two children. He enlisted in good faith around the 1st of January. He went to Petawawa some time in March. There was an accident on the icy roads with the guns. He was in the artillery. There was a court of inquiry held on this accident. The man was examined and had an umbilical hernia. That is a hernia right in the centre of the abdomen. When it came to the question of pension, it was ruled that this was congenital; that is, that it had existed since birth, that there must have been a weakness since birth. If there was a hernia there, it was not noted on enlistment. This man was carrying on perfectly all right. He passed the army examination, and hernias are checked up. It was not apparent and they did not find it on examination. But when he tried to get a pension it was ruled out on the presumption—if we want to use that word again—that it had existed since birth. He was discharged from the army after three or four months of indecision on somebody's part. He came back to town and obtained a job as shipping clerk in a firm and he had to handle boxes. After two or three days he found he could not work and he came to me, and I had to equip him with a belt to hold this thing in. That man is not getting a pension. He was fit when he enlisted. There was no sign of this hernia. Somebody presumed that it had existed since birth and therefore he is not getting a pension. But he is disabled. They did not operate on him. They did not seem anxious to operate on him, but still he has the disability. He was fit when he enlisted. If there was a hernia there, they did not find it. You can carry this business of presumption, in cases of that type, to the ridiculous.

The Acting CHAIRMAN: May I interrupt you there, Mr. Blair?

Mr. BLAIR: Yes.

The Acting CHAIRMAN: May I ask if in your understanding of this amendment, even as amended, you see any relief, as a result of this amendment, for your patient?

Mr. BLAIR: I am pointing out—

The Acting CHAIRMAN: I am not asking you to pass judgment on the amendment. I am asking if you are satisfied in your own mind that this goes far enough to help your man?

Mr. BLAIR: What I wanted to point out is that there is at the present time something radically the matter with the Pension Act when we have no redress for a man like that.

The ACTING CHAIRMAN: I think we all agree with that.

Mr. PEARKES: In order to reduce discussion, I am quite pleased to accept the addition to the amendment as proposed by Mr. Herridge, if he would like to have it done in that way. I suggest that we have discussed this problem long enough, and would ask you to put the question, Mr. Chairman.

Mr. TUCKER: I may say that as long as it does not lead to misleading people, as Mr. Quelch has agreed with me in saying that it might, I do not think this will do any particular harm. So as far as I can see, there is no harm in carrying it, as long as it is quite clear that it will not mislead anybody. Of course, if it is carried, naturally the pension commission people will study it and see if the section that is referred to is comprehensive enough to really cover it. In other words, they will have a chance to look into it.

Some Hon. MEMBERS: Carried.

The ACTING CHAIRMAN: Those in favour of the motion as amended please say aye. Contrary? I declare that the ayes have it.

(Motion as amended agreed to.)

(Mr. Tucker took the chair.)

The CHAIRMAN: The next item is section 18. That is page 11 of the proposed bill.

18. Section sixty-seven of the said Act, as enacted by section twenty-two of chapter twenty-three of the statutes of 1940-41, is repealed and the following substituted therefore:—

67. Notwithstanding anything contained in this or any other Act, no pension or additional pension, awardable or payable under the provisions of this Act, shall be awarded or paid,

(a) in respect of service during World War I, under Schedule A or Schedule B to this Act, to or in respect of any child of a member of the forces or pensioner if such child shall have been born on or after the first day of May, 1944

(b) in respect of service during World War I, under Schedule A to this Act, to or in respect of the wife of a member of the forces or pensioner, if she shall have been married to him on or after the date aforementioned, unless there is a minor child or there are minor children of the pensioner of pensionable age born of a previous marriage prior to the said date and the said wife assumes the household duties and care of such child or children, when additional pension for a married member of the forces may, in the discretion of the Commission, be awarded or paid during the time such child or children are of pensionable age.

Mr. PEARKES: Mr. Chairman, there is a deadline clause there which affects particularly the children. I feel that there will be no opposition to the removal of that deadline. I just want to call the attention of the committee to a remark which was made in the report of the dominion president at the 11th dominion convention of the Legion held in Quebec recently, because of certain remarks

which were made yesterday as to the attitude or the possible attitude of the Legion. I read from page 8 of the printed report, and these are Mr. Alex Walker's words:—

I have felt for a long time that the Legion should again make a special issue of the nation's obligations to the widow and the fatherless. From the most ancient times widows and orphans were singled out for special treatment. To care for the widow and fatherless was a biblical injunction and the nation that followed it attained both prestige and prosperity.

Therefore I move an amendment to this clause omitting the date line reference.

Mr. MUTCH: Is this section 67.

The CHAIRMAN: This is to delete the date line and provide that, in respect of children of a person drawing a pension in respect to World War I, born after 1st May, 1944, pension shall be payable in respect to them the same as if they were born before 1st May, 1944.

Mr. MUTCH: Does this amount to a matter of blanket removal of all date lines in the Act? That is what we are getting at.

The CHAIRMAN: We have already voted to remove it in regard to widows and wives.

Mr. MUTCH: This is the last one?

The CHAIRMAN: This is the last one. This is in regard to children.

Mr. MUTCH: All right.

The CHAIRMAN: And wives.

Some Hon. MEMBERS: Carried.

Mr. PEARKES: There is one more in section 66 of the Act, Mr. Chairman.

The CHAIRMAN: We are on section 67.

Mr. MUTCH: That is the one you just moved an amendment to.

Mr. PEARKES: Oh, yes. That is the one we are dealing with.

The CHAIRMAN: The committee probably had it in their minds that we dealt with wives and children before, but that was where the veteran died and had a housekeeper looking after the children. We voted there to remove the date in that respect. But this is one that affects wives and children as such. That is correct, is it not?

Brigadier MELVILLE: Yes.

Mr. MUTCH: It is just the children in this case, is it not?

Brigadier MELVILLE: (a) children and (b) wives.

Mr. MUTCH: I move that the section as amended carry.

The CHAIRMAN: Carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: The next is section 19.

19. The said Act is further amended by adding thereto the following section:—

68. When provision is made in this Act for members of the forces, such provision shall be deemed to include female members of the forces and members of the Canadian Women's Army Corps, except as otherwise expressly enacted in this Act; provided that any payment or additional payment authorized for any period prior to the tenth day of January, 1945, in respect of female members of the forces shall be at the rates previously prescribed by the Governor in Council.



This amendment makes no change in the law as it is provided in the War Measures Act. The members of the committee will remember that originally women members of the service did not get the same rates as male members. Later it was provided they should get the same rates and this provides that shall be the law. In other words, during the time they were entitled to partial rights and were getting them, that is confirmed; then from the time they were entitled to full rights, they are to get them during that time. In other words, it is to give statutory effect to the order in council. Is that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: The next is—

Mr. MUTCH: That is all there is.

The CHAIRMAN: Did you wish to make a statement, Brigadier Melville?

Mr. MUTCH: Are the amendments to the draft bill all carried?

The CHAIRMAN: Yes. But there is a matter on which Brigadier Melville wishes to make a statement.

Mr. KIDD: Mr. Chairman, are you going to deal with the schedule of rates of pay? If so, I should like to throw out one suggestion to the committee in that regard.

The CHAIRMAN: Well, yes, we can deal with that.

Mr. KIDD: I think every member of this committee will be interested in it. As I understand the situation at the present time, there has been no increase in rates since 1919, and it is a question of whether there should not be increased pensions for the children. The Legion has looked into it and here is the way it stands at the present time, although I stand to be corrected. The Legion has taken up the case of a pensioner with two children. Today his widow gets \$60 plus \$15 plus \$12; that is \$87. I think every one of us know that across Canada, with the cost of living in present day circumstances, something should be done. So the Legion, as far as Ontario is concerned, had a survey made and they dealt with it. They found that the cost of living per month in the various cities in the province was as follows:—

London .....	\$ 91 33
Sault Ste. Marie .....	113 70
Niagara Falls .....	107 00
Sarnia .....	109 25
Owen Sound .....	100 00
Stratford .....	125 00
Ottawa .....	100 00
Guelph .....	100 00

and so on down the list. It is not necessary for me to enlarge on that at all. But I think the time has now come to make a recommendation that some increase should be made to the widow and children. If it comes to a recommendation, I do not think one could do any better than the Legion suggests and this is their recommendation:

“That the rate of additional pension should be increased to \$30 per month for every child, and that the rate of pension for orphan children be increased to \$40 per month for each child.”

I do not know whether that is debatable or not, but I think we are all agreed that with the cost of living as it is, and circumstances being what they are, the time has arrived that something should be done for the children.

Mr. MUTCH: Do you know what the average income of the married man with two children is in Canada? Has anyone got that? It is about that much, is it not? It is around \$90?

Mr. KIDD: A married man with two children?

Mr. Mutch: Yes.

Mr. KIDD: Have you got that?

Mr. Mutch: No. I have not got it here.

Mr. KIDD: We all know that conditions to-day are different from what they were in 1919. I leave that suggestion with the committee.

Mr. Mutch: Those figures I mentioned are available.

Mr. KIDD: I move that this recommendation be adopted.

The CHAIRMAN: What was that motion, Mr. Kidd? I am sorry but I did not get it.

Mr. KIDD: It is really a recommendation of the Legion, and they recommend that the rate of additional pension should be increased to \$30 per month for every child.

Mr. Mutch: That is the Ontario command?

Mr. KIDD: The Ontario command. It is taken from the Ontario command.

Mr. Mutch: That is what I thought.

Mr. KIDD: And that the rate of pension for orphan children be increased to \$40 per month for each child.

An Hon. MEMBER: It is the dominion command.

Mr. KIDD: It is the dominion command, taken from the recommendations of the Ontario command.

The CHAIRMAN: Before we take that amendment, Mr. Kidd, I wonder if we could deal with another matter. It has just been drawn to my attention that in clause 18 on page 11, when we take that date line out, it actually makes the section mean nothing; and so the motion should be, Mr. Pearkes, that that section be deleted.—You see, as amended it says:—

Notwithstanding anything contained in this or any other Act, no pension or additional pension, awardable or payable under the provisions of this Act, shall be awarded or paid,

(a) in respect of service during World War I, under Schedule A or Schedule B to this Act, to or in respect of any child of a member of the forces or pensioner if such child shall have been born—

In other words, the way you have amended it, it means that there is no pension to be paid to a child born at any time. I do not think that is what you meant.

Mr. PEARKES: No.

The CHAIRMAN: So I will take it that your amendment is that we delete that clause.

Mr. GREEN: What about provision for the wife?

The CHAIRMAN: Well, it is the same. Mr. Pearkes has made a motion here that children do not get paid anything any more, and wives do not get paid anything if they are married to men who served in World War I; and that is a very disastrous motion, I would think.

Mr. PEARKES: That was not the intention.

The CHAIRMAN: So I take it that the intention was to delete that clause altogether.

Mr. MERRITT: Delete the section.

The CHAIRMAN: Delete that section.

Mr. PEARKES: That is all right.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: There is one other thing I thought we might dispose of, because this opens up something there will be some debate on; and it is probably the only thing left, with the exception of something that the chairman thought we might dispose of in 10 or 15 minutes this morning. It is the question of providing that pensions shall not be stopped, or changing the provision about pensions being stopped when a man enters hospital. The chairman here has a proposed amendment and explanation. I think we could dispose of that, whereas I doubt if we can dispose of this other matter raised by Mr. Kidd. So if you do not mind, we could let Mr. Kidd's motion stand, and have this matter disposed of first. Is that satisfactory to you, Mr. Kidd?

Mr. KIDD: Yes; that is all right, Mr. Chairman.

Brigadier MELVILLE: May I answer an enquiry of Mr. Green's with regard to pensions in New Zealand. Wife: no marriage date condition and children recognized irrespective of the date of birth; but, except in cases of total blindness, the member's income and other economic circumstances are taken into account in assessing the allowances. Widow: no marriage date condition, but safeguard against death-bed marriages as for Canada.

Mr. GREEN: It is the same. I think our provision in the section for the second war was copied from the New Zealand one, was it not?

Brigadier MELVILLE: I do not know that we copied from anybody. I suggest that Canada led.

Mr. GREEN: Oh, in the committee 1941 it was pointed out that New Zealand had that provision. That was then put into the Canadian Act for the benefit of veterans of the second war.

Mr. Mutch: It is a nice act.

The CHAIRMAN: Is that all, Brigadier Melville?

Brigadier MELVILLE: That is all you requested.

The CHAIRMAN: Will you explain this other proposed amendment you have?

Mr. GREEN: May I say I asked that question, Mr. Chairman, because either you or Brigadier Melville said yesterday that there was no other country which did not have a date line such as was in the Canadian Act.

The CHAIRMAN: I am sure I did not, because I did not know the circumstances.

Brigadier MELVILLE: If I did, I was in error, and I regret it.

The CHAIRMAN: Can you deal with this other point, Brigadier Melville?

Brigadier MELVILLE: Well, Mr. Chairman and gentlemen, this is a very important subject and one which has been receiving the consideration of the department for some time. It is a question which has exercised the chief treasury officer to a very alarming extent and one with which this commission is gravely concerned. Ever since pensions came into payment and until the year 1928, pension was forwarded direct to the pensioner. It did not matter whether he went into hospital and was treated for a pensionable condition or not; his pension every month went to him. In 1928 a change was made, and I would say that change was made for this reason. Pension, treatment facilities, and others had stabilized and the opinion at that time was that it probably was advisable to suspend pension when a pensioner was admitted to hospital and treated for his pensionable condition; he would then receive hospital allowances. Hospital allowances are the equivalent of 100 per cent pension less a small deduction for maintenance. That was all right in the years from 1928 leading up to the first few years of this war; then the impact began to be felt. The chief treasury officer is very far behind and grave and serious difficulties have resulted.

I will explain briefly what does happen. A pensioner may be receiving a 50 per cent pension. Normally that goes to him and he gets it just before the



end of the month. But say he is admitted to hospital on the 20th day of the month. Immediately that district will send word in to Ottawa that he was admitted to hospital and to suspend his pension. But the pension cheque has been made out for that month. The cheques have been turned over to the postal authorities and they have been distributed to various points in Canada in order that they may be delivered on the due date. The result of that right away is that there is an overpayment of pension for the balance of the month. Proceedings are drawn by the chief treasury officer. Word is sent to the district to recover this from the hospital allowance. But this man has gone into hospital and at the end of three or four days he is discharged and he has got his hospital allowance. Then word has to go back to reinstate his pension. Frankly, gentlemen, the upshot of it all is, that there is confusion most confounded. There is no question about it. The chief treasury officer is swamped. Complaints come in to the commission; and many reach me personally, of these delays. To overcome this, I do not think there is any question in our minds as to what is the right thing to do. Every one of us here, at the end of the month on receipt of a certain fixed income, has certain obligations which have to be attended to. The pensioner who gets his pension cheque at the end of the month has certain commitments which are dealt with out of his pension. But if he goes into hospital and that routine is disturbed, then he is just in a mess. As I say, these adjustments have to be made very often. What is being suggested is that the Act be amended in the various sections which apply, so that pension will be continued and, during the period the pensioner is in hospital, being treated for his pensionable condition, his pension will be augmented to the treatment allowance. That seems sensible.

Mr. GREEN: Will be what?

Brigadier MELVILLE: Augmented to the hospital allowance. All pension is paid from Ottawa. The proceedings are issued and dealt with by the chief treasury officer in the Daly Building, but the cheques are issued from a central pay office in Ottawa, which is out at the Experimental Farm. The cheques then would flow along regularly. There would be no interruption. When the man goes into hospital, hospital allowances are issuable by his district, so that a 50 per cent pensioner would then receive right in his own district the augmentation of his pension for the period of hospitalization.

Mr. Mutch: Up to 100 per cent?

Brigadier MELVILLE: There is a deduction. A 100 per cent pensioner has a slight deduction from his hospital allowance to apply towards maintenance. That is \$15 a month. But that would be very easily arranged by the chief treasury officer. This has been discussed with the deputy minister of the department. I saw Mr. Woods this morning again, and it has his full concurrence. It has the full concurrence of the director general of treatment services, whose patients are often disturbed mentally on account of the non-receipt of money. It has the absolute concurrence of the chief treasury officer and it has the entire endorsement of the Canadian Pension Commission. We should like to feel very, very definitely that, when the commission grants entitlement and authorizes an award of pension at a certain amount, that pension goes continuously to the man. If he is residing in Australia, we send that pension cheque to him so that it is delivered to him at the end of the month when due. No matter where he is, we endeavour to get the man's pension cheque delivered to him at the end of the month for which payment is due. The change involves quite a few amendments to the Act. Unfortunately I was not able to have them mimeographed. They reached me about 15 minutes before I left to come to the meeting this morning.

Mr. GREEN: Is there not another very unfortunate result of the present provision, and that is that when a veteran comes out of hospital he has to wait a matter of weeks or sometimes months before he gets a cheque?

Brigadier MELVILLE: That is perfectly true, Mr. Green, and these delays just pyramid one way or another. What would happen when a pensioner is discharged from treatment strength is this. Pension is still continued. Proceedings of the medical board on discharge would reach the attention of the commission. If upward revision of pension was indicated, the commission would make that effective retroactive to the date of his discharge from treatment strength. In every way the pensioner would benefit by the changes which are suggested.

Mr. Mutch: Mr. Chairman, would you entertain a motion that the necessary changes to implement that amendment be made?

Mr. GREEN: I think we had better have a look at the amendments.

The CHAIRMAN: I can just read them. It will not take long. I have them here.

Mr. Mutch: Very well.

The CHAIRMAN: The first one is this:—

1. Paragraph (*ggg*) of section 2 of the said Act as enacted by section 1 of chapter 45 of the statutes of 1933 is repealed and the following substituted therefore:—

“Hospital allowance” means pay and allowances or compensation payable or paid by the department to or on behalf of a person while undergoing treatment.

In the Act it was this way:

(*ggg*) “hospital allowance,” or “pay and allowances” or “compensation,” means the payment made to a pensioner in lieu of pension while undergoing hospital treatment, under the control of the department, for a pensionable disability.

That is the first change that is necessary to carry this out. Is that carried?

Mr. GREEN: I think it would be more satisfactory to let us have a copy of the proposed amendments. We are not going to finish the bill today anyway.

Brigadier MELVILLE: Mr. Chairman, I suggest that if there is any difficulty with regard to printing at the Printing Bureau we can mimeograph this and send copies to the clerk, and he can deposit them in the boxes of the members who will have time to study this amendment before the next meeting.

The CHAIRMAN: We will do that. Now, I said that we had nothing left but Mr. Kidd's motion. The Veterans' Bureau are working on something and they will get together with the Pension Commission between now and Tuesday, and we will have their joint suggestion; but I am really hopeful that we shall be able to report this bill on Tuesday.

The Committee adjourned to meet on Monday, June 3, 1946, at 11 o'clock a.m.

## APPENDIX "A"

G.O. 320.

8-6-A  
Year 1942.

## PACIFIC COAST MILITIA RANGERS—ORGANIZATION

Pursuant to Section 20 of the Militia Act the Governor General in Council names as a Corps of the Active Militia the undermentioned unit:—

## "Pacific Coast Militia Rangers"

2. The said Pacific Coast Militia Rangers shall be comprised of such reserve companies, organized on such War Establishments and localized as shall from time to time be authorized by the Minister of National Defence.

3. The Laws, Regulations and Orders which apply to reserve units of the Canadian Army and to the members thereof shall apply to the Pacific Coast Militia Rangers subject to the following limitations and variations:—

- (i) Membership will not be limited as to age or physique but will be open to any who are considered suitable or can be of use.
- (ii) Suitable persons may be given provisional commissioned rank but before appointments are confirmed must qualify.
- (iii) Officers will not exercise command over officers and non other than those of their own Corps.
- (iv) Drill and training will be voluntary, will entail no expense to the public, and will conform to local requirements.
- (v) The Corps will be supplied with steel helmets and distinctive arm bands.
- (vi) Arms and ammunition for the Corps will include such as are available from private ownership supplemented by service weapons and ammunition which may be issued if considered necessary and supplies are available.
- (vii) Except as specified, the Crown will not undertake to provide the Corps, except when called out on Active Service, with horses, vehicles, accoutrements, clothing or other articles of equipment, personal or regimental.
- (viii) Officers and men of the Corps will not be entitled to transportation, subsistence, pay or allowances except while on Active Service provided, however, that if an officer or man incurs an injury, disease or illness while undergoing duly authorized training or while on duty, or service, he shall be granted compensation under the provisions of Part XVI, Pay and Allowance Regulations for the Permanent and Non-permanent Active Militia 1937, to the same extent as if he were a member of the Non-permanent Active Militia.
- (ix) Except while on Active Service,
  - (a) An officer may resign his commission at any time,
  - (b) A man may claim his discharge after 30 days' notice, in writing to his Commanding Officer.
- (x) The Minister may, at any time disband any company of the Corps, or portion thereof, if he considers it advisable to do so.



- (xi) Where the provisions of King's Regulations and Orders for the Canadian Militia, 1939, as amended are at variance with the special provisions and limitations governing the Pacific Coast Militia Rangers such special provisions as provided for herein as aforesaid shall apply and govern.
- (xii) Such special provisions, limitations and variations as aforesaid shall cease to apply to the Pacific Coast Militia Rangers or any company or sub-unit thereof when such Corps, Company or sub-unit is called out on Active Service.

(Effective 3rd March, 1942)

H.Q.S. 20-1-19, f.d.32.

P.C. 39/6755 of 31-7-42.

W. Doc  
Can  
Con

Canada - Veterans Affairs, Spec.  
in Ottawa, 1946 ✓

SESSION 1946  
HOUSE OF COMMONS

CANADIAN  
UNIVERSITY

CA1  
XC2

-45V21

(SPECIAL COMMITTEE)

(ON)

# (VETERANS AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 26

MONDAY, JUNE 3, 1946

WITNESS:

Mr. G. A. Murchison, Director, Soldier Settlement and Veterans' Land  
Act.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946







## MINUTES OF PROCEEDINGS

MONDAY, June 3, 1946.

The Special Committee on Veterans Affairs met at 11.00 a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Archibald, Benidickson, Bentley, Blair, Croll, Cruickshank, Fulton, Harkness, Harris (*Grey-Bruce*), Herridge, Jutras, Lennard, MacNaught, Merritt, Pearkes, Ross (*Souris*), Sinclair (*Vancouver North*), Tucker, Winkler, Winters, Wright.

*In Attendance:* Mr. G. A. Murchison, Director, Soldier Settlement and Veterans' Land Act.

The Chairman explained that the Minister was unable to attend the meeting and presented a statement on his behalf outlining the history of The Veterans Land Act, 1942, which is printed as *Appendix "A"* to this day's minutes of proceedings and evidence.

Mr. Murchison was recalled, heard, questioned and retired.

It was agreed that a day, to be determined by the Steering Committee, be set aside for further consideration of small holdings under The Veterans Land Act, 1942.

The Chairman invited members of the Committee to an inspection of the Health and Occupational Centre at Billings Bridge on Wednesday, June 19.

At 1.00 o'clock p.m., the Committee adjourned until Tuesday, June 4, at 11.00 a.m.

A. L. BURGESS,

*Clerk of the Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 3, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: This is a special meeting, as you are aware, gentlemen, to hear an explanation of the present situation in regard to the Veterans Land Act. In that connection the minister was prepared to make quite a statement in regard to the matter, but he is very busy just now in the meeting of the subcommittee of the Cabinet on veterans' affairs matters. He thought that this statement would be very useful to the members of the committee. It would take, I think, at least about one and a quarter hours to read this, and perhaps longer. I wonder if the committee, rather than having this read, would agree to have it go on the record as an appendix? I have not read it yet myself, but I believe there is nothing controversial in it. What is your wish in that regard, gentlemen?

Mr. FULTON: Does it go to the crux of the problem which faces the department?

The CHAIRMAN: No. It is divided into several parts. One is the origin and history of the Act, and the principle of the Act; it deals with the qualifications of the veteran, the approval of the land, the down payment, avoidance of excessive debt, stock and equipment, small holdings, commercial fishing, provincial cooperation, ceiling price and the write-off. Then it deals with the criticisms of delay and in that regard deals with the measures taken to speed things up, including increased staff and so on. Then there is the history of the small holdings policy, and it deals with the different types of small holdings and the various attempts made to try out different measures to deal with the situation. Then there is a section on small holdings as a housing measure, which deals with the attempt to a certain extent anyway to mitigate that problem and how it was handled; and also with the million dollar write-off which is one of the things we are concerned with this morning.

Mr. ROSS: What do you mean by the million dollar write-off, Mr. Chairman?

The CHAIRMAN: It was found that certain small holdings had cost a great deal more than they would have cost had it not been for the conditions under which an attempt was made to construct these small holdings. For example, I was at one place and they were not able to get plumbing equipment, so they were not able to build the houses; winter set in and water began to accumulate in the basements and freeze. They had to keep these basements from freezing up solid and bursting the foundations. That meant they had to have supervisory staff there and to do extra work, which meant that if that cost was divided amongst the veterans, they would be paying more for the property than they were getting in value. So it was provided some time ago, and the order in council was tabled in the House at once, that \$1,000,000 should be provided to write off costs where, due to unusual circumstances, they were greater than ordinary. There might be cases where there was a delay in getting labour, delay in getting material and so on. The director will explain how he has attempted to allot that \$1,000,000 so that the veteran would have to pay only for the value he was getting. This deals with that provision too.



Mr. PEARKES: When was that order in council tabled?

The CHAIRMAN: It must be about a month ago.

Mr. MURCHISON: On April 2nd.

The CHAIRMAN: On April 2nd, I am told. Time flies faster than I thought.

Mr. PEARKES: Was the committee advised of that?

The CHAIRMAN: It was tabled in the House. It was tabled the next day, I think, or the same day. Then this last part deals with the new legislation that we recommend by order in council.

Is it your desire, gentlemen, that I read it, or may I table it as an appendix to the proceedings of the committee?

Mr. ROSS: May I ask if it will be printed in the proceedings and Mr. Murchison here will explain matters in connection with the small holdings?

The CHAIRMAN: That is the idea.

Mr. ROSS: I think that is quite all right. Then if there is anything not covered, we can raise it with the minister later on.

The CHAIRMAN: Yes. He will be here. He would have liked to be here today, but there were some very important matters coming up at the sub-committee meeting of the Cabinet. That is why I was a little bit late myself.

Mr. FULTON: There are three specific items that I wonder if I might mention, before you go on, Mr. Chairman. There is the write-off, the measures taken to speed things up and the million dollar write-off passed under order in council recently. If Mr. Murchison can explain those three things, that would be satisfactory.

The CHAIRMAN: He will cover those.

Mr. FULTON: If not, I should like an explanation from the minister.

The CHAIRMAN: If there is anything not covered, you can ask about it. Mr. Murchison, of course, is fully familiar with it. This will be tabled as an appendix to our proceedings and Mr. Murchison will now make his presentation. (Minister's statement—Appendix "A").

**Mr. G. A. Murchison, Director, Soldier Settlement and Veterans Land Act, called.**

The WITNESS: Mr. Chairman and gentlemen, I confess that I am at some slight disadvantage in having to speak of this matter without knowing the full context of the minister's remarks. I think, however, that some of the things I will tell you here will merely be by way of elaboration of some of the points which are undoubtedly included in the minister's statement.

As I understand it, sir, this meeting arises from certain questions which have been asked as to the cost and sale prices of small holdings. I think this is a good opportunity to trace the history of these operations to date and to emphasize to the committee the difficulties which have had to be met and overcome, and to focus some attention on the difficulties which will probably continue to exist for a considerable period of time. I therefore welcome this opportunity to furnish the committee with a frank and complete statement of what has been done to date. To do this, Mr. Chairman, I think it is wise that there be some background covered, because it is all part of the same story.

The Veterans Land Act was given royal assent in November, 1942, and I need not elaborate on the reasons why actual construction under the Veterans Land Act had to be postponed at least until the cessation of hostilities in Europe.

In the meantime it was the responsibility of the director, with the approval of the minister, to proceed with the preparation of plans with a view to being in a position to commence operations just as soon as the exigencies of war would allow.

Signs were not lacking three years ago that land prices would steadily rise and in order that the administration would not be unduly victimized along these lines steps were taken during 1943 and 1944 to acquire a considerable amount of land strategically located for the development of small holdings. Had we not done so we would have been faced today with considerably higher costs, and land costs are still rising in many strategic areas.

With regard to plans for home construction, the principle was accepted that these homes should be of good design and in conformity with minimum National Housing Act specifications. Quite a wide range of house plans were developed by leading Canadian architects, all centering on homes of modest size, bearing in mind the financial limitations of the Act and the financial status of the veterans to whom these homes would in due course be sold.

The situation in regard to lumber during the war was particularly acute. Prices increased substantially until ceilings were established by the Wartime Prices and Trade Board, but one of the greatest difficulties was in securing seasoned lumber. It was quite impossible to take lumber off the market in 1943 which was sorely needed for war uses, but in 1944 the director was authorized by order in council to secure approximately 24,000,000 feet from that year's cut in order that there would be reasonable supplies of at least partially seasoned material available for a building program in 1945. That amount of lumber, Mr. Chairman, represented about 7.5 per cent of the total domestic cut available for domestic consumption. Happily, the war in Europe ended in May, 1945 and the administration was thus in possession of lumber with which to make a start on the building program.

The original sales ceiling in the Veterans Land Act was \$3,600 for land and buildings. In 1943 it was apparent that this ceiling was too low to permit any worthwhile progress in acquiring real property and by order in council that ceiling was raised to \$4,800. In the early months of 1945 it became abundantly clear that the rapidly increasing costs of construction would make it impossible for the administration to proceed with the plans that had been made for a program for the construction of approximately 3,000 new homes across Canada that year unless we were prepared to revise the whole program and concentrate on the building of a cheaper type of house. I was therefore faced with the necessity of recommending to the government that the price ceiling for land and buildings be increased to \$6,000, but where this occurred there would be no funds available for stock and equipment. This recommendation was aimed primarily at making provision for the cost of constructing new homes on small holdings.

I may say here that the type of construction which had been blueprinted represented pre-war costs of from 26 to 29 cents per cubic foot or, in other words, homes costing from \$3,200 to \$4,000. By the spring of 1945 it was abundantly clear that costs for this type of construction had substantially increased and these same houses would likely cost from \$4,400 to \$5,500, and on top of this we had to take into account the cost of land and the installation of all necessary services.

In the face of this serious rise in costs and in the face of the known scarcity of skilled labour and some knowledge of the inefficiency of some of the labour, only two courses of action were open. The first was to do practically nothing; to let the veteran worry about these things; to take the attitude that the administration should not assume the risks involved; or, secondly, to disregard these risks and go ahead and build some houses.

Almost immediately following the cessation of hostilities in Europe an Inter-departmental Housing Committee was established by order in council on May 10,



1945, of which I was appointed a member. At the first meeting of that committee I drew attention to the program which had been projected under the Veterans' Land Act and outlined all the difficulties I could foresee, but it is to the credit of that committee that they recommended that the program be placed under way, regardless of the difficulties. The minister was immediately contacted and I was instructed to proceed.

This program was launched at a time when the construction industry in Canada had become accustomed to cost-plus contracts. I am not criticising this situation. I am just stating it, and so far as the construction of homes is concerned, I can readily appreciate the difficulty confronting responsible firms in quoting firm bids in the face of all the known difficulties in the fields of materials and labour. However, we adopted reasonable safeguards against abuse when this program was set in motion. Contracts were let for the most part to big responsible construction firms, members of the Canadian Construction Association and by and large, they have turned in a good job. All our cost-plus fixed fee contracts were placed under the audit division of the Department of Reconstruction and Supply, and for our part, we engaged the services of the best staff available to us.

I need not dwell at any length on the difficulties which we encountered here and there. We had little difficulty so far as framing lumber is concerned but there are many component parts in the construction of homes. Interior finish, plumbing and heating equipment, roofing soil pipe, were all in short supply and it was a most difficult matter to schedule deliveries of materials or, alternatively, there was great difficulty here and there in having adequate labour on the job when materials had been delivered. These things are bound to throw construction costs out of line. In this country where we have only six months of ideal building weather it is even more important that time schedules be met. Unfortunately last autumn was one of the wettest for many years. This further delayed operations and of course we were then thrown into construction under Canadian winter conditions, with resulting increases in costs which need not be detailed.

It would have been a comparatively simple matter had this program of home construction been centred at a few points, but our program was dispersed all the way from Victoria, B.C., to Charlottetown, P.E.I., and centering on approximately eighty points in varying numbers. To add to our difficulties, we have had to contend with shortages resulting from steel strikes, from difficulties in the glass trade, shortages in electrical installation materials, all of which are traceable to causes completely beyond the control of any single administration. For the past year I have been a member of a committee appointed by the government, dealing with many matters relating to housing and in close contact with the various control and priority officials. I want to assure this committee that there have been many times when sheer frustration would tempt even a saint to throw up his hands. By last November it was clear to me that a situation was in the making where I would be obliged to again come to the government for some assistance.

I do not mean by this that our construction costs had gone sour on every project, but there were certain projects where, for one reason or another, labour, materials, weather, poor management, or a combination of all of them, costs would be out of line. This problem was discussed with the minister and the cabinet Subcommittee on Reconstruction, following which P.C. 1278 was assented to on April 2, 1946, and I think it advisable that a copy of this order appear in the records of this committee:

The CHAIRMAN: Have we got it here?

The WITNESS: I have it here, but I think probably I should just cover that; it will only take me a few minutes, because it ties in with the whole story I am attempting to place before the committee.



## P.C. 1278

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Administrator on the 2nd of April, 1946.

The Committee of the Privy Council have had before them a report, dated 29th March, 1946, from the Minister of Veterans Affairs, stating as follows:—

1. Sections 7 and 7A of The Veterans' Land Act 1942, authorized the Director, The Veterans' Land Act, to purchase land, buildings and building materials and to enter into a contract with any person, firm or corporation for the erection of buildings and for effecting such other improvements as he may deem necessary.
2. Under authority so granted, the Director during the years 1944-45 purchased land deemed necessary by him for the establishment of veterans in part-time farming and for the purpose of providing homes and other improvements on lands so acquired. The construction of such small holdings or homes was distributed amongst the Provinces as follows: British Columbia, 572 units; Alberta, 275 units; Saskatchewan, 79 units; Manitoba, 240 units; Ontario, 1,033 units; Quebec, 187 units; New Brunswick, 74 units; Nova Scotia, 30 units and Prince Edward Island, 15 units. The construction of these small holdings and homes was distributed in 86 localities in Canada.
3. In the inception of the construction program we referred to in (2) above, a number of tenders were advertised for in the usual way for contracts on a firm price bid but the bids quoted were generally at prices which were exorbitant or alternatively, no bids were received. Construction on firm price contracts was approved for 160 housing units in Alberta; 10 in Manitoba; 56 in Ontario, and 30 in New Brunswick.
4. Following the failure to obtain reasonable contracts on firm price bids, recourse was had to contracts arranged on a cost plus fixed fee basis along the lines followed by the Department of Munitions and Supply. The fixed fee was arranged at a reasonable figure and the operation of all cost plus fixed fee contracts were from the outset placed under the disbursement control of the Audit Division of the Treasury Department and under the structural supervision of representatives of the Director.
5. The Director, The Veterans' Land Act has now reported that as a result of difficulties confronting building contractors and the administration occasioned by the cost of materials, delays in obtaining deliveries of essential materials, excessive labour costs, and abnormally wet weather during critical stages of construction in certain areas, the total cost of the construction operations referred to will exceed the estimated costs. Costs have shown substantial variations for identical dwellings located in the same area built by different contractors and substantial variations in costs of like designs in different areas, all of which present problems in the sale of these holdings to qualified veterans as provided by Section 9, The Veterans' Land Act.
6. The Director further reports that construction has progressed to a point where completed units are becoming available for sale and that close calculation of costs already incurred and careful estimates of the additional costs to be met show that adjustment should be made of costs at which many of these holdings can or should be sold to veterans.

## 7. Section 21, The Veterans' Land Act, provides as follows:

21. If the Director deems that any land or other property acquired by him cannot or ought not to be sold subject, whether as to sale price or otherwise, to the provisions of Section 9, he shall report to the Minister the circumstances, with a statement of the cost of such property and shall recommend another sale price or other terms of sale, whereafter any sale of such property shall be made for such sale price, or upon such terms, to any person as the Governor-in-Council may approve.

The committee, therefore, on the recommendation of the Minister of Veterans Affairs, advise:—

- A. That the overall costs of the construction program referred to above be reduced by a sum not in excess of One Million Dollars (\$1,000,000);
- B. That a Committee comprising W. S. Woods, Deputy Minister, Department of Veterans Affairs, and G. Murchison, Director, The Veterans' Land Act, be authorized to approve adjustments in costs to a basis which in their judgment represents reasonable sale value under the provisions of The Veterans' Land Act, such adjustments not to exceed a total of One Million Dollars (\$1,000,000); and
- C. That the Director, The Veterans' Land Act be authorized to arrange sales to Veterans of any small holdings referred to herein, the adjusted cost of which is in excess of \$6,000 on the basis of a minimum down payment of \$600, but providing that in such cases the conditional grant shall not exceed the limits provided by Section 9, The Veterans' Land Act.

(Sgd.) A. D. P. HEENEY,  
Clerk of the Privy Council.

Mr. Chairman, as you mentioned a moment ago, clearly it is not the intention of this order in council that the administration should attempt to absorb any part of the general rise in costs but to make use of this reduction fund for the purpose of absorbing costs in those cases where for one reason or another costs are out of line with present-day general levels.

Up to the present time the costs of 504 units have been reviewed as follows:—

Windsor .....	100	houses	no reduction	
Hamilton area .....	190	houses	no reduction	
Ottawa area .....	100	houses	reduction—	\$34,463.29
Chatham .....	8	houses	reduction—	9,731.45
Sarnia .....	8	houses	reduction—	6,067.88
Sudbury .....	10	houses	reduction—	12,111.43
Barrie .....	8	houses	no reduction	
Prince Albert, Sask. ....	15	houses	reduction—	16,526.88
Saskatoon .....	25	houses	reduction—	9,945.00
Regina .....	25	houses	reduction—	24,106.00
Moose Jaw .....	15	houses	reduction—	1,800.00
Total .....	514	houses		\$114,751.93

At Windsor, where we have 100 units, the costs were found to be quite reasonable. There has been no reduction made in those costs.

Mr. CRUICKSHANK: Where was that?

The WITNESS: Windsor.

Mr. CROLL: What was the cost?

The WITNESS: I haven't got the details with me.

Mr. CROLL: All right.

The WITNESS: At Hamilton, 190 units there; Hamilton is probably one of the best construction areas in Canada and costs there were very fair. No reduction was authorized there. At Ottawa our house construction costs were running very well on a par with Windsor, very little difference in the actual cost of construction of units in Ottawa as compared to Windsor. We have an identical type of house. But we did run into excessive costs in Ottawa in installing necessary services. We have to bear in mind that in Ottawa we have to conform to standards not only as required by Nepean Township, but we also are operating in pretty close harmony with the federal district commission; so, therefore, it was necessary in connection with this Ottawa project to establish a reduction of \$34,463.29.

Mr. SINCLAIR: Those are the houses out here on the Prescott highway?

The WITNESS: That is right. This reduction did not apply to the houses, it applied to the cost of installing the services. At Chatham, and this illustrates the difficulties you run into with small projects, with 8 houses there, we found it necessary to adjust by \$9,731.45. Eighteen houses in Sarnia, in a small project of eight units where it was necessary to reduce by \$6,067.88, which brought these homes pretty well in line with Windsor, but we had difficulties there, and with exactly the same type of house. Sudbury, another small project, where for a number of reasons costs went out of line—bad management—we had to make a very heavy reduction there of \$12,111.43. We are making further inquiry into that project because we are not just satisfied that the cost estimates are as they should be. At Barrie, a small project of eight houses, the costs were very high but no reduction was authorized. At Prince Albert, Saskatchewan, fifteen units; a reduction there of \$16,526.88; at Saskatoon, twenty-five units, a reduction of \$9,945.00; at Regina, twenty-five units, a reduction of \$24,106. Here we were confronted with a very high cost of installing services. It was quite impossible to get well water at Regina, and with the soil conditions there and the extreme winter conditions we had to put in services which were very expensive. As I say, it was necessary to make a reduction of \$24,106. At Moose Jaw, fifteen units; we had a great deal less difficulty and the only reduction required was the sum of \$1,800. Now, this indicates the treatment of these cases under the order in council to date.

Mr. SINCLAIR: What about British Columbia?

The WITNESS: We have not dealt with those yet.

Mr. ROSS: What about Manitoba?

The WITNESS: No.

Mr. LENNARD: Is there a project at St. Thomas?

The WITNESS: Yes, I think there is.

Mr. LENNARD: I notice you did not make any mention of that.

The WITNESS: That has not been dealt with yet by this committee. I am merely giving you this evidence, gentlemen, to illustrate that in certain cases the reviewed costs are all right, they are in line; and in such cases there is no reduction. In cases where costs were out of line we are making a reduction in cost.

Mr. CRUICKSHANK: Mr. Chairman, may we ask questions now, or later on?

The WITNESS: If I might complete this I would appreciate it.

Mr. HARKNESS: Might I just ask if Alberta has been dealt with?

The WITNESS: Not yet.

The CHAIRMAN: The ones mentioned have been dealt with.

The WITNESS: From the above it will be seen that the purpose of the order is being carried out, and just as rapidly as other projects are completed to a point where final cost estimates are available, they will be dealt with



along the same lines. I cannot say at the moment if it will be necessary to exhaust the reduction fund. In the meantime it is prudent on the part of the adjusting committee to keep clearly in mind the reproduction costs of houses of like construction and design, because this program should represent only a fraction of the housing which may be undertaken in the future and there is no point in adjusting costs in favour of a small group of veterans to the disadvantage of those who are still in need of establishment on small holdings and elsewhere and where new construction will be essential.

It may be of some interest to the committee to know the variations which occurred. For purposes of this illustration I am using a half a dozen different designs of houses which are common to all the areas concerned. Using Hamilton first we found an average of 36.5 cents per cubic foot for construction of these six designs of houses at Hamilton. At Ottawa the average cost for the same type of houses is 41.2 cents per cubic foot. It is common knowledge in the construction trade, and it is a matter of some concern to a lot of us, that Ottawa is generally regarded as being an expensive district to build houses in.

Mr. CRUICKSHANK: Expensive to live in, too.

The WITNESS: Toronto, 40.4. Sudbury and Chatham, the same type of construction, jumped to 49.3 cents. There we had to make an adjustment. Prince Albert, 40.2 cents. That is high for Prince Albert. Regina, 37.2 cents. Edmonton, 33 cents. I think that is about the best answer I can give as to the likelihood of very much reduction in Edmonton because Edmonton is probably one of the most attractive building areas we have in Canada. We have good organization there, our prices are right and our experience there has been very satisfactory.

*By Mr. Harkness:*

Q. Have you the price at Calgary?—A. No, I have not got one here. Those homes at Calgary were all built on a firm bid basis. I could get that figure for you.

*By Mr. Fulton:*

Q. Have you received those figures from British Columbia?—A. I have not got the final ones, but I am going to give a tentative figure on Kamloops because I know it is of very close interest to Mr. Fulton. The figures we have on Kamloops prices at the moment are 46 cents, and there is going to be an adjustment made there. I think I can give you that assurance because those costs are out of line at Kamloops.

*By Mr. Ross:*

Q. Have you those figures for the Winnipeg area in Manitoba?—A. I have not got them here. I can get them for you.

Mr. SINCLAIR: The coast of British Columbia?

*By Mr. Cruickshank:*

Q. Down the lower mainland, across the Fraser valley?—A. Our costs there were very satisfactory compared with everywhere else.

Q. If you ask me they were not.—A. At Kelowna our house costs there are 42 cents per cubic foot according to our latest figures. I think there will be some adjustment on some of the latest designs.

*By Mr. Fulton:*

Q. What about Vernon?—A. I have not got Vernon listed here. I have selected a number of points across the country which will give a cross section. Going to the maritimes we have Edmundston, New Brunswick, 39 cents; Truro, 38 cents; Charlottetown, P.E.I., 37 cents; but then we move into Quebec at Sherbrooke and they are up to 49 cents.

*By Mr. Cruickshank:*

Q. May I interject one question? Will we get the other districts later? We are interested in our particular districts.

*By the Chairman:*

Q. When would you have a complete table on that?—A. I cannot give an undertaking as to that. I cannot say when a complete table will be here because it depends on the date when the construction is completed and we get the final cost estimates from the contractors, but these figures I have quoted will give some idea of the comparison of costs of the same type of construction in a wide distribution across Canada.

Q. What is that amount? Would you give the committee what those figures include? They include the cost of building?—A. They just include the cost of the house. They do not include the cost of the land or roads or installation of water and that sort of thing. This is just the cost of the house.

Q. And some of your write-off is due to excessive cost of services so that these figures do not tell the whole story?—A. No, but they do serve to show that our costs per cubic foot of construction for this type of building follow the general pattern as it is all over Canada today. In other words, these figures I have quoted represent the equivalent of 26 to 29 cents a cubic foot pre-war. When you get those figures sustained by responsible contractors all over the country then I do not think there can be very much argument as to the rise that has taken place in the cost of construction.

MR. CRUICKSHANK: Before he leaves that point I did not quite get your question and Mr. Murchison's explanation. Does this include the cost for sewers and other services?

THE WITNESS: No. I have in my hand here a copy of a brief prepared by Mr. J. L. E. Price, Chairman of the Canadian Home Owners Association of Canada. It is a brief that he presented at a recent meeting in Montreal. There is one comment of his which bears out what I have been saying.

Where house construction is concerned building costs today are close to 50 per cent higher than they were immediately before the outbreak of the war in 1939. This means that the small living unit which could be produced for \$3,500 in 1939 is now likely to cost as much as \$5,250.

I can say frankly to this committee that with few exceptions the reaction of the public and veterans to this program has been good, but there are a few exceptions which illustrate a lack of understanding of the difficulties of home construction at the present time, in some places a decided lack of appreciation of what the administration is trying to do and a tendency here and there to unfairly criticize which, to say the least, does not encourage very much expansion of building. I suggest to this committee there are plenty of places in Canada where our efforts thus far are fully appreciated and where there is still ample demand to fully absorb all the materials available for new construction. We have fortunately only a few samples of criticism of the type I referred to. Some of it developed in Calgary. I am glad that Mr. Harkness is here because it is in his constituency. It was not Mr. Harkness that spearheaded this criticism of what has been done there, but we have voluntary statements from some of the veterans concerned such as this:—

Having read the report in the *Herald*, March 29, in which Mr. Johnston says that our homes are falling apart, I would like to state that no such condition exists in my home. I am quite satisfied with the construction of my home throughout. When looking for a home last fall I examined quite a few houses in various stages of construction, also some completed homes. In my estimation, the V.L.A. houses were a good

deal better than any I had seen. In these houses there are a few slight mistakes which are being rectified, and when they are properly finished I am quite sure I will have a home comparable to any in the city. Previous to the war I was employed by the A. B. Cushing Company of this city, and while there I served my apprenticeship as a carpenter.

Here is a statement by a responsible member of our advisory committee in Calgary.

On the afternoon of March 29 I inspected a number of the houses that had been sold to veterans and also interviewed a number of the occupants. Every one of the houses I examined I found have been substantially built, i.e., basement walls are quite sufficient to carry the houses erected thereon and the sills and joists are well put in; heavy enough that there is no danger of the building sagging. In some cases the material used in the construction is not all No. 1 and apparently had not been properly seasoned; as a result in some places it has shrunk but not to any alarming extent. In view of the scarcity of material, I consider that these dwellings have been as well constructed as could be reasonably expected. The workmanship in all cases could not be considered as first class but owing to the scarcity of skilled tradesmen, I believe it would be practically impossible to have a dwelling built within a reasonable time that would not show some slight defects such as casings around the doors and windows not being properly fitted.

The occupants whom I interviewed are well satisfied with their homes and while mentioning some slight defects here and there in the workmanship, stated that they are causing them no inconvenience but suggesting in some cases that a little later, when material and skilled tradesmen can be secured to better advantage than at present, some slight adjustments could be made.

After inspecting the properties and interviewing the occupants I consider that there is absolutely no foundation for the reports that these houses were badly constructed and the occupants very much dissatisfied.

As a matter of fact, in that particular case the contractor was under no obligation to let the veterans into these houses until they were completely finished. That was a firm bid contract, but in order to accommodate some of these boys who were sorely in need of housing the contractor agreed to allow a number of them into occupancy before the construction was completed. All the contractor got for it was a great deal of abuse, and I think that is the type of thing that is hardly called for when a contractor and the administration are both doing their best to meet a very difficult situation. We have also had some rather loud complaints from—

*By the Chairman:*

Q. Just on that point, at the time these complaints were made there had not been a final inspection made and the houses had not been taken over?—A. No, and the contractor had quite a substantial performance deposit with the department. There was still a progress payment of \$20,000 to be made on these houses, and these things apparently were not taken into account at all when this criticism arose.

*By Mr. Harkness:*

Q. I think the situation there was that some of these houses were fairly satisfactory and some were not?—A. Probably so.

Q. One or two of the houses I went into certainly were not very satisfactory.—A. But they were fixed; they were adjusted.



Q. The understanding I had from Mr. Allen was that they would be adjusted and the deficiencies made good, and as far as I understand I think that has been or is being done.

The CHAIRMAN: At the time you saw them the houses were not actually taken over by the department and passed on?

Mr. HARKNESS: As I understood it the construction up to that time had been passed on by the department's inspector. He had accepted things more or less as they were and allowed these people to move into them. As I say, some of the houses were fairly satisfactory, but in other cases there was a great deal of bad work and a great deal of bad material.

The CHAIRMAN: Apparently there was a misunderstanding. They moved into them subject to them being fixed up according to the contract.

Mr. MUTCH: Do you not think we have devoted all the time to this matter that it merits?

Mr. HARKNESS: Some of the complaints arose due to the fact that these people had been given to understand either by the contractor or by the inspector—which I am not sure—that that was the house, and if they did not want it they could move out. They did not have to accept it. In other words, if they did not want to stay in the house, all right, that is the house, and that is the way it is. To begin with these people were under the impression that the deficiencies which existed were not going to be made good. It was at that time that I saw Mr. Findlater and Mr. Allan in connection with the matter.

The CHAIRMAN: I think there was a misunderstanding. It was made clear they were being permitted to move in before they were completed under the contract. That not having been made clear to them before some complaints were made, and apparently there was some vexation that they were being let in ahead of time. I suppose that led to the statement being made they should not have been.

Mr. HARKNESS: The situation was that the houses in some cases were bad. There were a lot of things about them that were poor. These people were given to understand that was the house and they had to accept it in that condition.

*By Mr. Blair:*

Q. In your statement you said that all the contractor got was abuse. Surely he had a little profit.—A. As a matter of fact, in that particular contract, which was let on a firm bid basis, we have an appeal from that contractor to put that over to cost plus because he has lost money on it.

Q. But he got something besides abuse?—A. I do not want to labour this and delay the committee.

The CHAIRMAN: I think we should go into this properly because charges were made about it on the floor of the House. There is no use glossing it over. This matter should be cleared up.

Mr. ROSS: Was the director going to make his statement before we question him?

The CHAIRMAN: I think he will finish his statement and then we will question him.

Mr. ROSS: I would like to ask him one question about that order in council of April 2nd; did it give the director authority to recommend what a unit could be sold at?

Mr. HARKNESS: Mr. Murchison—

The CHAIRMAN: May we finish this first, Mr. Harkness.

Mr. HARKNESS: As this question of small holdings has come up, I would like to get the cost per cubic foot of construction of those places for comparative purposes because I should think that the costs which I have seen are excessive.

The WITNESS: I can get that for you, although I have not got it here today.

The CHAIRMAN: If you could let me have it, we could put it on the record so that it will be complete.

The WITNESS: Adverting to the cost of some of those homes constructed in 1945 and 1946, \$1,000,000 may sound like a lot of money, but the situation is by no means as serious as some of our critics might think. That program will probably involve a capital outlay of close to \$16,000,000. If we find it necessary to make use of the total reduction fund of \$1,000,000 made available by order in council, the reductions would mean about 6.2 per cent of the total cost, and I simply say that, for an organization starting out under the difficulties with which we were confronted in the spring of 1945, we have put on a pretty good show.

In this connection I want to record my appreciation of the sense of fair dealing and efficient operations carried out by the great majority of the contractors with whom we have been doing business. They are a credit to the Canadian Construction Association. There are a few cases where I am, unhappily, unable to say as much. In one case it became evident to us within a few months after operations commenced that all was not as it should be with respect to one small contract, but prompt action was taken to have this affair brought under investigation by the Mounted Police. That investigation has not yet been completed and I mention it here only to indicate that prompt and appropriate action was taken to correct abuse of the public interest.

I do not believe there is any person in Canada who can accurately state whether the cost of constructing homes has reached the peak or when or to what extent these costs will recede. One thing appears certain, however, and that is, if costs rise any higher, we cannot continue with the standards we have followed thus far unless veterans are in a position to make a substantial capital contribution. The present sales ceiling in the Act will suffice to meet the needs of quite a large number in areas where building codes will permit. But it must be kept in mind that the basic idea of the small holding fails if these establishments occur where there is a lack of reasonable opportunities for gainful employment, and the areas where there are the best opportunities for employment are more often than not the areas where building codes are strict. I fully endorse the view expressed by numerous authorities that this problem of housing for veterans in the modest to low income groups will not be solved by attempting to follow conventional methods of home construction under the rules laid down by outmoded building codes. I am convinced the main solution is the production of precision cut, partially or wholly prefabricated housing on an assembly line production basis. Study is being given to this but I am not overly hopeful that these changes can be brought about in a brief period of time so far as real volume is concerned.

These things cut squarely across entrenched interests and time honored customs. In the meantime there are hundreds of points in Canada where lumber yards are bare of supplies, and the current strike in the lumber industry merely adds to the overall difficulties confronting everyone concerned in home building.

In conclusion, I hope I have not created the impression of a defeatist attitude in these matters. The minister and the government have stood solidly behind the Veterans' Land Act. As director responsible for operations I have not waited until every condition was perfect. Everything that has been done in this small holding program is not perfect but it does represent a sincere effort and boldness at a time when a stand pat attitude would have been the easy and comfortable administrative course to follow. At any rate, we have produced a lot of good homes for veterans to live in and under terms where they can live in a greater degree of dignity and security than falls to the lot of many thousands who are today confronted with makeshift arrangements.

*By Mr. Cruickshank:*

Q. I would like to ask one question of Mr. Murchison: Could the director explain what is meant by cost plus fixed fee?—A. In a cost plus fixed fee contract, we mean that the cost of your materials, labour and supplies that go into the construction are audited and paid for by the contractor; and, in addition to that, the contractor is paid a fixed fee for the construction of the house. They vary from \$250 to \$180 per house.

Q. In a cost plus contract, do you pay the actual cost of the lumber, paint and everything?—A. Everything.

Q. And that includes the cost of supervision?—A. That is right.

Q. Is it paid on a graduated scale?—A. Yes.

Q. How do you arrange it?—A. We make the best arrangement we can make with the contractor concerned.

Q. Why does it change? I noticed in my own district, places within 40 miles of one another, places near where the building material comes from, the cost varies in a large way?—A. What figures are you quoting from?

Q. I am quoting from the answer given by your department to a question I asked on the orders of the day. It showed on one project the services, overhead for house painting, \$462; while 12 miles from there, \$304. At Chilliwack, another 30 miles from there, and 75 miles from the source of material, \$301?—A. Not for the cost plus fee?

Q. This is the answer tabled in the House.—A. Aren't those costs of water services?

Q. No, this was for your services. If you want the others, it is still worse.—A. Oh, no, no!

Q. The services in the first place are \$600; and in the second place \$680; and in the third place \$497.—A. That would be the service of water, sewage disposal.

Q. Pardon?—A. Services.

Q. But the second one is not, not the first one, not the overhead for the house. You cannot have a service and an overhead in the same return?—A. I think you are confusing the fee on a contract with the cost of construction.

Q. Maybe I am, but if I am confusing them, it is because of the return you tabled in the House.—A. But you did not ask about the fee in the first place. You did not ask for information as to what the fee was.

Q. Very well, I will read you the question.

1. Under the Veterans Land Act, small holdings, how many houses at Haney, Mission, Chilliwack, are (a) under construction; (b) completed.

2. What is the total cost of any house completed?

3. What was the cost per house of project overhead?

Mr. Ross: Mr. Murchison—

The CHAIRMAN: Just a second, Mr. Ross.

*By Mr. Ross:*

Q. Are all the veterans' homes under the Veterans Land Act constructed on a cost plus basis?—A. No; I mentioned in the statement which I made this morning that a number of these houses were let on a firm price basis, one at Calgary, one at Lethbridge, and one at Moncton, and also a few in Ontario, about 200, which were let on a firm price basis. The rest were all cost-plus basis.

*By Mr. Cruickshank:*

Q. What I am trying to arrive at is: I want to know, in connection with these houses, exactly how much went for services, and do services include sewers and water; and how much actually went to the contractor for supervision of building these houses? I want to know just what it includes. Does it include sewers, water mains, and so on? Is that correct?—A. Yes.



Q. Now, with respect to the three areas in the Fraser Valley, can you get me the information? You say that your report is not what you wanted it to be?—A. We answered the question as you asked it.

Q. Well, you answered it in algebra, while we asked it in Greek.

Q. I now ask what the cost of overhead was for each house in the Fraser Valley? There are 90 being constructed, and what is the cost for services in each house and project in the Fraser Valley? Surely that can be arrived at because, as I understand it, the ceiling is still \$6,000; is that correct?—A. No.

Q. Is the ceiling not \$6,000 to a soldier?—A. No, it never was; but where the cost exceeds \$6,000 to the contractor, the veteran under the Act, according to an amendment in 1945, had to pay off that cost in excess of \$6,000 in addition to 10 per cent of the \$6,000. Now, under this order in council, which was passed on the 2nd April, we may sell in excess of a cost of \$6,000, with a down payment of \$600 only.

*By Mr. Ross:*

Q. And you may sell below the cost of the building even?—A. If we find it necessary, we may adjust it.

*By Mr. Cruickshank:*

Q. I understood that this \$1,000,000 was to be used—am I now to understand that these frame houses in the Fraser Valley are to be sold for possibly \$6,491?—A. There were some of them substantially below \$6,000, because they did not cost that much.

Q. I mentioned \$5,800; that is pretty close to \$6,000; but is this 1,000,000 not to be used to bring them down?—A. No, but to bring them into line for the reason which I pointed out, the difficulties with regard to labour; getting materials; heating; inefficient labour costs. When those things get out of line, we have to bring them back into fair line.

Q. Then, I take it that the \$1,000,000 will be used to bring these houses in the Fraser Valley back into line. I will ask one more question; I would like to get the figures per cubic feet for the houses?

The CHAIRMAN: We will get them as fast as we can.

*By Mr. Cruickshank:*

Q. Were all contracts treated alike in so far as supplying sewers and water mains?—A. Pretty well, although there was not absolute uniformity because there is not absolute uniformity in local conditions.

Q. I understood the director to speak about the building restrictions which we have here in Ottawa, the cost of water mains and so forth—yet, they have had a reduction on this \$1,000,000 above our districts in the Fraser Valley. Are those districts in the Fraser Valley to be penalized for the municipalities that are called upon to put in these services?—A. No, no. In some districts it was quite possible for you to put in septic tank sewage disposal plants where, in another district such as Ottawa, it would not be tolerated by the local authorities.

Q. But in Chilliwack, my understanding is that the municipality of Chilliwack was called upon to put in those sewers?—A. No. My memory of that project was that we met the terms imposed by the municipality in constructing our local water system in connection with the development there.

Q. I do not think you did; but I am glad to hear that statement. I want to clear it up for my own area as far as roads are concerned. Were all districts treated the same as to putting in roads and sidewalks?—A. I think they were generally treated about the same.

*By Mr. Sinclair:*

Q. I wonder if you would clear up this question of "project overhead" which Mr. Cruickshank quoted as \$400. What is this "project overhead"?

Apparently it is quite distinct from services. What does it mean?—A. I would have to bring my engineer here with all the detail on the various things that entered into "project overhead". For instance, there is the use of capital equipment; the construction of bunk houses in which the workmen live while they are doing the job; there is the cost of transporting labour; there is the cost of tools and things of that sort, the maintenance of tools; not the capital cost of tools but the maintenance.

Q. When you speak of "project overhead", if I build a house in North Vancouver, things like that do not enter into the cost when I get a cost plus management fee basis. If the cost of these houses has gone up above \$6,000 necessitating the veteran paying more than he expected, the government put up \$1,000,000 for a write-off. Certainly we should know where there is anything over and above this management fee of \$180 to \$250 that you are talking of, and where something such as Mr. Cruickshank mentioned might occur. It is our job to find that out.—A. Yes.

Q. And certainly the veteran wants to know. It is not good enough to say here that your engineers can tell you and it was the cost of bunk houses and things like that. I, for one, want to have a break-down and analysis, and I want a break-down of the houses I have in my riding at Power River.

The CHAIRMAN: Of course, that brings up another question. It was decided that Mr. Woods, our deputy minister, and the director should carefully go into these things, and it is no easy job to consider each project and try to bring it into line with general conditions around. Of course, if you want to go into the details of it, I do not think you should try to do it in this committee. We had better set up a subcommittee, because to go into this in respect of each project—and I presume others are just as interested as Mr. Cruickshank is—it would take days and days. Do you want to set up a subcommittee to go into these things and check on the work of Mr. Woods and Mr. Murchison? I would point out that other members of the committee are interested equally as much as Mr. Cruickshank.

Mr. SINCLAIR: Just a minute, Mr. Chairman. I am not interested in Mr. Cruickshank's area at all. I am interested in this "project overhead" item. This amounts to 10 per cent of the cost of the house in Mr. Cruickshank's area.

The CHAIRMAN: That can easily be explained.

Mr. SINCLAIR: It has not been explained as yet. The return did not make it very clear.

The CHAIRMAN: I thought you wanted it in respect of each project.

Mr. CRUICKSHANK: No. What we are trying to find out—at least it is what I am trying to do, and I have not monopolized much of the time of the committee lately—is what the term "project overhead" means. The director has just said there is the rental of tools. I understand that it is cost plus a fixed fee; that the contractor is paid a fee and he has to supply the saws, hammers and so on.

The WITNESS: I said far more than that. I said it provided for the cost of the job office; of bunk houses for the men to sleep in; of winter heating, for coal; and in quite a few cases transportation of the men doing the job. All things of that kind enter into it.

Mr. ROSS: Do you allow that apart from the cost?

The CHAIRMAN: Yes.

*By Mr. Fulton:*

Q. This overhead charge is an item of the cost which the contractor charges against you?—A. He must.

The CHAIRMAN: Yes. There is the actual cost of putting these houses up. Then on top of that, he gets the \$180 to \$250 for his own work of supervising.

Mr. Mutch: It is his wages; that is all.

Mr. Ross: I think this is distinctly the outcome of what several members of our committee prophesied a year ago. The original intent of this Act was to foster farming and part-time farming. In this last session when this committee was set up, Mr. Mutch from Winnipeg, Mr. Wright and others pointed out exactly how far away we are getting from the original intent of this Act. I am sure that there are not any of us, while we are very keen to see the veterans settled and well housed, who are going to agree with that proviso in that order in council that was spoken of this morning. Our people throughout the war years were prepared to put everything in and pay the shot for it; but with the war over, our people are becoming tax conscious, along with the fact that we have got to properly rehabilitate these soldiers. I was looking over some of the reports of the committee for last year where the gentlemen I have mentioned and myself pointed out to you that it was actuarially unsound. Mr. Murchison himself put figures on the record to point out that under the national housing or any other sound scheme, a man wanting a loan to purchase a home should have an annual income of at least 50 per cent of the total cost. He also stated that the average of these veterans would not have an income of over \$1,300 to \$1,700. I have checked that with the report or our income tax. I find that last year some 2,365,000 individuals in Canada paid taxes and that the great majority of them were in the income tax brackets from \$660 to \$2,000. This bears out the figures that the director gave us last session. I do not know where you are going to head if you are deliberately going into something that is bound to be a failure. Coupled with that, we are not settling chaps on the land for full-time farming as we should be. That was brought out in a return to Mr. Pearkes on April 16. True enough the minister says that since that time 39,000 applicants have been passed as qualified for settlement, either for full-time farming or small holdings, but at that date only 5,132 had been passed either for settlement on the land or for financial assistance at that date. I think Mr. Murchison is a very conscientious and hard-working director of this administration; but as he himself said, he has felt several times like throwing up his hands in frustration. I pointed out a year ago, and I pointed out again last fall in the House of Commons as well as in this committee, that I thought the day was going to come when we had to divorce the administration of full-time farming from the administration of small holdings. I say that this small holdings business is distinctly getting away from the intent of the Act today. That is in evidence on all hands. Before long I am going to move in this committee that the two angles of the Act be delivered and a separate administration set up, in fairness to those chaps who want to go into full-time farming on the land at this time and are being hampered. That is very true, because I am receiving requests from all across this country where these chaps are having difficulty in getting settled on the land. Just make a comparison. There is a ceiling of \$6,000 under the Act for a productive unit, a farm including a house, barn, granary, stock and equipment and a good acreage of land. A ceiling of \$6,000! And on the other hand you have a ceiling of \$6,000 for a house and half an acre of land. The thing is ridiculous. It does not make sense. We just cannot continue on that basis. As I say, I for one—and I think I am just as keen about the proper rehabilitation of our servicemen as anybody else—think that we have got to start considering the taxpayers of this country—and many of these chaps will be taxpayers too—who are much more tax-conscious today than they were a year ago. I think we must try to arrive at a much sounder basis than the one we are carrying on under today with regard to these small holdings. I say it is beyond all reason that we should be going ahead and building these homes; as you say, they are now, to go over \$6,000. You



passed an order in council giving the director authority to recommend to the minister what a unit shall be sold for. I think, Mr. Director, you have known enough as to what has happened in the construction of public buildings throughout the war years, the disposal of war assets and so on, to realize what an awful headache it is going to become for you and your officers in the very near future. There is a lot else I might say in objection to this, but I know that other people want to ask individual questions. I probably asked one of the questions that brought about this explanation by the director. It is on the order paper of the House and reads as follows:—

1. How many houses have been built or are under contract to be built in Charleswood, Manitoba, under the Veterans' Land Act?
2. What is the total cost for each unit, including land, waterworks, etc.?
3. Who is the contractor?
4. On what basis are these houses sold to veterans?

I understood from the director's remarks this morning that he has not got these facts about that area or about Manitoba before him at this time. But I can assure you that there are a great many veterans out there who are very eager about this situation at this time.

I think we have to face up to this situation, we have got to divorce the administration from housing. If any of you people want to get away on housing as you are doing on this small holdings business, that is up to the administration; but in fairness to these people who wish to be settled on the land, where they should be, producing for a hungry and starving world—and, that was the original intention of this Act—then I think it should be considered by this committee in that light at this time.

The CHAIRMAN: May I just say a word before you speak, Mr. Harris? It is in regard to this question which has been mentioned from time to time in committee about the development of small holdings into some sort of a semi-urban housing program. That situation was quite clear to the administration ever since late last year and they have been working on it in order to bring about a reasonable solution, and before we are through this morning I think that Mr. Murchison, for the benefit of the committee, should present the arrangement for coordination between the Veterans' Land Act and the other housing programs, and the extent to which the present situation has developed from what it was up until the end of last year. I think that should be explained to the committee, and I think that to a certain extent at least it will answer the statement made by Mr. Ross.

*By Mr. Harris:*

Q. I had a question I wanted to ask for information. How many houses did you say you had in this Windsor project?—A. One hundred.

Q. And in the Hamilton area?—A. One hundred and ninety.

Q. How many at Prince Albert?—A. Fifteen.

Q. And which one of these projects was for the R.C.M.P.?—A. At Boucherville, Quebec.

Mr HARRIS: I do not know whether this is the occasion on which to debate Mr. Ross' proposition or not. I think afterwards we might. But in a general way I agree with all he has said, with this exception, that under the Veterans' Land Act small holdings we are not helping the relatively poor veteran, because he cannot afford these houses, and they are not of much use, if any, to him. The average chap in the ranks who is a working man just cannot live in a \$5,000 house, and that is the end of it. But we are assisting, helping, the so-called white-collar class, who very often do not get any help from any government funds of any kind. I suggest what value we have in these small

holdings is in the main for that group, because those are the boys who are buying these houses, and it may be the only form of benefit we are actually giving them as a veterans' affairs committee.

The CHAIRMAN: I wonder if you would like to hear the rest of the story from Mr. Murchison before we debate it.

The WITNESS: I think every one on the committee, Mr. Chairman, will recall the announcement which was made by the Prime Minister when he tabled the order in council not long ago in the House. Under that order in council the powers and responsibilities of the Minister of Finance were transferred to the Minister of Reconstruction and that meant the administration of the National Housing Act, Wartime Housing and all other housing sponsored by the federal government. No amendment was made to the Veterans' Land Act, but the Prime Minister announced that non-farm housing under the Veterans' Land Act would be coordinated in the Department of Reconstruction and Supply under Mr. Howe. Following that announcement careful thought was given to the basis of that coordination. Since there has been no amendment made to the Veterans' Land Act the statutory position of the minister and the director remains just where it was, so it therefore became a matter of working out a basis of coordination with the Department of Reconstruction.

And now, apropos of what Mr. Ross has said of the Act taking the form of a thinly camouflaged housing scheme in very large concentrations, I can only go back to what I said to this committee last November, that what was done under that emergency program in 1945 did not represent a permanent policy, it was merely a sincere attempt on the part of this administration to do something towards meeting at least a part of the emergency situation, but that this program can not go on on a basis aimed towards solving in any substantial way the housing situation confronting veterans throughout Canada. I think that is on the records

Mr. SINCLAIR: That is fair enough.

The WITNESS: These difficulties arose principally on the perimeters of urban centres throughout Canada. They applied more particularly to perimeters of urban centres with populations in excess of say fifteen thousand people, because it is in centres of this size that we find the largest consolidation of veterans. And if we were to continue with the establishment of large blocks of small holdings on the perimeters of these large centres we would be throwing into disorder the plans that might be undertaken by other agencies of government to build houses under the auspices of the National Housing Act, because a point has been reached in quite a few places in this country where the available land inside of urban limits is to-day exhausted, and if this housing problem is to be solved someone must go outside; new satellite towns and villages must be established. So we agreed that without clearances with the Department of Reconstruction, the director of the Veterans' Land Act would not establish small holdings within the corporate limit of any urban centre in Canada with a population in excess of five thousand people. There were only a few cases where we had gone inside, under pressure from one or two urban municipalities who had a lot of unused land available, but these cases were very few. However, what I said clarifies that situation; that without clearance from the Department of Reconstruction these small holdings from now on do not go inside the urban limits of any city in Canada with a population in excess of five thousand people. And now, there has to be a little bit of elasticity there because there are towns in Canada with a population of five thousand or up, where it does not follow automatically that the lending institutions which are primarily the lending agencies under the National Housing Act are prepared to go in to help veterans build new homes. There are towns where small holdings in small numbers could quite properly be established, because there are towns of this class which still have some available land not being put to use; but there is a very definite restriction.

And now, in regard to the establishment of small holdings in the fringe area, principally around these large urban centres, an understanding has been reached that without clearance from the Department of Reconstruction small holdings will not be established in a group in excess of six units; but there is still room to establish single units in these fringe areas as and where they can be acquired in the fringe area. Now, in other words, that means the discontinuance of the large project development, which, incidentally, I instructed my staff to follow last January. And now, there is no conflict at all with the Department of Reconstruction where we establish a veteran on, say, three acres of land. Three acres of land in some parts of this country certainly represents intense agriculture. There is no objection to that on the part of reconstruction. I do not think there can be any on the part of this committee, because there are areas where land is extremely dear, where highly intensive operations must be carried out; and that sort of thing is certainly to be encouraged.

And now, in addition to that the Department of Reconstruction realizes and appreciates the way we have a block of land which we have already had to ourselves and where capital dispersements have already been made that the whole thing is not so different; they are quite aware that such projects need to be completed, otherwise there will be a capital loss confronting the administration.

Now, that is the basis of coordination with the Department of Reconstruction. In other words, we work in very close collaboration with them if a proposal arises, such as happened the other day at Kitchener, Ontario, where the city was very anxious that we go ahead and develop numerous small holdings on some very attractive land just outside the city limits. I offered the land to the National Housing administration. I said: "you take this land and see if the thing can be used for the development of what is known as a housing enterprise". That is the plan under which a corporate enterprise builds houses of an urban pattern for rent. That was looked into, but the housing enterprises people, said: "no, we are as fully committed in Kitchener now as we are prepared to go and therefore we are not interested in that land." I said, "All right, try it with someone else who is prepared to build houses on an urban pattern for sale, but make up your mind what you are going to do with that land because I am under pressure to develop small holdings on it." I cannot go any further than that. That is what I call close collaboration and cooperation. If lands that we hold can be put to better use by some other agency we are quite prepared to make them available to them on a mutually satisfactory basis.

*By the Chairman:*

Q. There is one thing that you might deal with, Mr. Murchison, as to whether you are going ahead and developing any more large schemes of building houses ahead of the soldiers arranging to buy them?—A. No, that is definitely out.

Mr. WRIGHT: I should like to ask Mr. Murchison if his department are following out what I think was the original intention under this small holdings scheme when it was instituted in 1942. Where men had part-time employment working in an industry and perhaps that industry operated six, seven or eight months in the year the idea, as I understood this small holdings scheme, was to provide homes for them adjacent to those centres where they could work on the small holdings at such times as they were not employed in regular work in the city. If I understand the matter correctly now a man cannot obtain one of those small holdings unless he has got a full time job or has a pension. At least, that is the way it has been operating in a great many places. There have been very few people who have been able to get into a small holding who have not been able to satisfy the board that they have full time employment. I have no objection to the scheme that Mr. Harris suggested of the Act being used to assist the class of people whom he described as white collar workers.



I know in certain areas in western Canada people are crying for these small holdings adjacent to the small towns. It may be that it is a lawyer, doctor or dentist who has returned from overseas and is establishing a practice in that small town. He is trying to get these areas organized adjacent to the town or within the town limits to build these homes. That is all well and good, but I do not think we should lose sight of the original intention of the scheme which was to provide a home for the worker in the city who may, in the occupation in which he is working, find himself without employment for perhaps three or four months out of the year. I am afraid we are losing sight of that in the scheme. The average worker with the average income is not able at the present time to get a home under this scheme.

The WITNESS: That may be the case here and there but certainly instructions that have been issued are along the lines that our administering officers should anticipate that there will be men who may be following a variety of jobs during a year. He has not got a year round job at any particular thing. He may have three or four different types of employment. There may be some cases where they are unduly strict, but certainly with the terrific demand we have at the rate applications are coming in I think it is quite probable that there is enough demand from men who have fairly stabilized employment and are able to meet the contract without difficulty.

Mr. WRIGHT: That is exactly my point. They are the people who are being taken care of in preference to the average man with the average income. In many cases those people could take care of their wants themselves whereas the average man with the average income is not able to take care of his wants. As I understood it this scheme was intended to assist him, the man who was not able to take care of his own needs. Instead of that it is being given to the man who can take care of his own needs.

*By Mr. Mutch:*

Q. I should like to ask Mr. Murchison a question. Earlier in the session an order in council was directed to our attention, approved here and passed with respect to permitting a man to rent land. I should like to ask Mr. Murchison if that has materially assisted the placing of men in full time farming?—A. I think I mentioned at the time that order was under discussion that it would not probably produce a great deal of actual settlement this year because that order in council was only passed this spring and at a time when cropping arrangements had already been pretty well set by the owners of land.

Mr. WRIGHT: I want to pursue the point I raised a little further.

Mr. MUTCH: May I get an answer?

The WITNESS: The only answer I can give to that is that complete instructions were issued to all our administering staff immediately that order in council was passed, and it was pointed out that it would probably take the balance of this season before veterans could contact and locate a property they could get under a rental agreement for a minimum period of three years.

*By Mr. Mutch:*

Q. Are there many applications?—A. There have not been many yet because, as I say, cropping arrangements for 1946 had already been set by the time the order in council was passed.

*By Mr. Ross:*

Q. They could not operate under it for this growing season?—A. No, but we do expect it will have quite a scope, particularly in western Canada.

Mr. FULTON: I should like to revert for a moment to the question on which I think the discussion originally arose. That is what is going to be done to enable a veteran to get into a house when it costs over \$6,000? In other words,

what disposition is going to be made of the surplus costs over \$6,000? There was certain information I had when I raised the question first. I should like to refer to the case of Vernon, B.C. particularly because I think it epitomizes the whole difficulty which is being met in this connection.

As I understood Mr. Murchison he said that the reason for the excess over \$6,000 was the increase in building costs which the contractor had to face, and over which there was no control, and that when the director's contracts were let as they were, on a cost plus basis, that, of course, was reflected in the final cost of the contractor. Is that a fair statement?

THE WITNESS: Yes.

MR. FULTON: In the case of Vernon—and I mention this specifically because the people there are threatening to take action on their own hook if something is not done about it—there was a letter from the minister on June 23, 1945. I will read the relevant paragraph. He discusses the reasons which determined them to let cost plus contracts. He says:—

The department examined the cost of building by private contractors throughout the country and obtained numbers of tenders, more particularly in eastern Canada. It was ascertained beyond doubt that, within the selling price of \$4,800 for land and buildings, it would not be possible to obtain, through this process, suitable houses for veterans. Accordingly, the department conducted an experiment of building ten houses under its own direction with a private contracting firm managing the project. This undertaking was successful. We obtained attractive houses within the cost limits.

Then I should like to read the preceding paragraph:—

The Housing Act and the Veterans Land Act had been passed in anticipation of the need, and my department had been engaged for some months in buying and obtaining priorities of building materials of various kinds. We had the materials necessary for the construction of approximately 3,000 houses, and this material is the property of the department having been purchased by competitive bid, with deliveries protected by priority regulations.

On the face of it that means they have sufficient material to build 3,000 houses, and I understood from the figures which the director gave us this morning that only 2,505 units are actually being built by the Veterans Land Act at the present time under this letting of contracts for projects. So that it makes it very difficult to understand firstly where the increase in cost would come inasmuch as the department apparently had these materials, or the bulk of them, in their own possession, and they obtained them by competitive bid and they were protected by priority regulations. That brings up the question of Vernon particularly because it is one of those cities to which the director referred where they made land within the city limits available to the director at \$1 a lot to build houses. I think there are forty of those houses in Vernon.

THE WITNESS: Twenty.

MR. FULTON: There is really no cost of the land; they understood that they had a firm agreement with the department to build these houses at \$4,800 each, which was to cover the cost of the house alone because the land cost \$1. They did not get the department to agree that the cost to the veteran would be \$4,800, although that was their firm understanding when the agreement was first entered into. So the veterans there are extremely exercised over the prospect of having to pay an increase in price over \$4,800; and the increase has not yet been set. Mr. Murchison has not yet been able to get a final explanation as to the cost, as to why the cost has been increased over \$4,800, and as to

what arrangement is to be made in regard to this particular case, with regard to apportioning, or the bearing of the cost of \$4,800. I would like to go back to that letter.

Mr. HARRIS: My questions are along that same line too; so, perhaps they could be answered at the same time. I understood, from what the director said, that the basis on which he and Mr. Woods are proceeding under the order in council was, that there would be certain emergency rises in the cost of building the buildings, and therefore they would make certain allowances for the fact; and also, that there might be early wet season, which would increase the cost of building and so on. So, are you going to determine those on the emergency basis or on the basis that wages are much higher in British Columbia than in the rest of the Dominion, and therefore they must be given special allowances? My second question is in reference to Ottawa where you said you had about 100 houses or thereabouts and where you said your costs were higher due to local conditions. I take that to mean that the services in Ottawa cost higher, and therefore that a veteran who settled in Ottawa would do so at the expense of the Dominion of Canada?

Mr. HARKNESS: I would like to know if we are to have another day on this?

Mr. MUTCH: I think we will need more than a day.

The CHAIRMAN: We wanted, Mr. Harkness, to get the Pension Act reported to the House because, as I understood it, when the government brings in its bill, it is the wish of the committee to have it referred back to this committee. And, of course, we will still have the War Veterans' Allowance Act to consider. We have the Veterans' Land Act amendments to consider, and the Veterans' Rehabilitation Act to consider, and the omnibus bill in regard to pensions and in regard to rehabilitation—we have got that to consider. Then we have got the bill in regard to loans to business, and professional loans still to consider. Everyone of those has to go to the House, and it is the will of the committee that they should come back here; and I have not mentioned them all. We have got to consider them here; then they go to the House; then they come back for us to reconsider them again. Now, we have got to make up our minds that there are some of these things to which we will not be able to give all our time, or as much time as we would like; but we must put first things first. I am concerned that we get as fruitful results from the proceedings of this committee at this session as we possibly can. I do not think we would be justified in setting aside the Pensions Act. The Business Loans Act will be new legislation, so I do not think we would be justified in taking another day or so.

Mr. MUTCH: Can we not do it on the Veterans' Land Act?

The CHAIRMAN: At the expense of this legislation. The idea of this meeting was, as I understood it, to explain what the administration, in its wisdom or lack of wisdom, had decided should be done. Then, it is quite clear, in regard to what Mr. Harris says, that the basis of this write-off is not to bring the price down under a fixed amount all over Canada, but to write off exceptional costs so that the veteran, as compared with other veterans in that district, will be getting a fair deal. That is the purpose of that million-dollar write-off.

Mr. BENEDICKSON: I hope that is the case, but I did not get that understanding, particularly with respect to quoting a comparison of per cubic feet cost in one part of Canada with another.

The CHAIRMAN: There is no question that the basis which Mr. Woods is after is to write down the cost in each particular community, taking into consideration any exceptional costs that prevail in that particular project.

Mr. MUTCH: But that immediately raises the question as to what constitutes exceptional cost. If you have a flood somewhere and cellars are washed out before they are reinforced, that would be an exceptional cost. But if a



veteran elects to live in Ottawa of his own free will, as people do, and if he has to pay more for his services than somebody living elsewhere, would that amount to exceptional costs, and are they to be included? That is the point. And, on the other hand, if a man elects to live in British Columbia, where wages are higher than elsewhere in Canada, or if he elects to live in a place where people are forced to work for less are those exceptional circumstances? Because, if they are, then I am out of sympathy with the interpretation of it. But, if you have an early freeze or a flood, or some act of Providence over which the veteran or the contractor could have no control; or if possibly there be a mistake made in hiring a dishonest or inefficient contractor, in such cases I do not think the pensioner should be stuck. But if we have to take into consideration increased costs brought about because a man wants to live in a high cost area, then that man should pay the difference himself, or else—

Mr. FULTON: It certainly does not look as if we could get finished to-day. Could we not have another day?

Mr. HARKNESS: The question has been raised, and we have got more or less part way into it. I think it would be of advantage to everybody to clean the thing up.

The CHAIRMAN: What about our setting aside next Monday as a special extra day and trying to finish this a week from to-day?

Mr. HARRIS: I asked to see the order in council because if I remember correctly, it was a question and answer. My understanding of the order in council was that Mr. Woods and Mr. Murchison were to give certain advice to the minister.

The CHAIRMAN: That's right.

Mr. HARRIS: As to how to allocate the \$1,000,000.

The CHAIRMAN: Yes.

Mr. HARRIS: Then, what are we talking about now; because they are doing it and we are not?

The CHAIRMAN: It was a very complicated job, and it would take hours and hours of work for them to consider each case; and the reason why Mr. Murchison and Mr. Woods were appointed was because they were two men who, it was considered, understood the matter and in whom everybody would have the utmost confidence.

Mr. ROSS: I hope I have made my point quite clear. I was opposed to that.

Mr. FULTON: The minister stated in his letter that they had material for 3,000 houses, and he said that the ordinary firm competitive bid was not practical or desirable.

The CHAIRMAN: Mr. Murchison will answer that.

The WITNESS: The test plan to which the minister referred in that letter was a small pilot plant that we carried out in New Westminster, homes that were built without basements because where those houses were built, basements could not be put in. Mr. Cruickshank will know something about that; it is west of Queen Street. The lumber which went into those houses, into that particular group, cost us a very reasonable price. There was no particular labour difficulty in the constructing of those ten houses; but certainly, as a test, ten houses without basements at New Westminster are not a very fair test as compared to what you run into when excavation is necessary, and when you run into labour difficulties, and great difficulty in scheduling materials to the job. That brings me to the second point in the letter. It is not for me to criticize anything that was in the minister's letter, but I would like to assure Mr. Fulton that materials which had been contracted for in 1944 related only to framing and lumber. That was all. We have not secured all the other component parts in the way of heating, roofing, interior finish and all the things that go into construction.

With regard to the Vernon project, there was no understanding given to the town in the agreement that the houses would cost \$4,800. The agreement we had with the town of Vernon was that we would not construct a house of a value of less than \$3,000 on any of the land that they gave us, and they undertook to give us a tax rate of \$60 per year. I think that was for fifteen or twenty years. They donated the land, we put in the water.

Mr FULTON: That was on the basis of \$4,800 a house.

The WITNESS: There was no \$4,800 house that appeared in the contract or agreement with the city of Vernon, and I shall be glad to produce the original copies of this agreement so that Mr. Fulton can check them. One thing that did contribute to costs at Vernon was labour costs. We had a little labour strike or a lay-off or something like that. I do want to assure Mr. Fulton that the costs at Vernon are going to be dealt with in the near future.

With regard to the question raised by Mr. Harris: are emergency costs to be dealt with or are we dealing with the general level of increase? The answer to that is that we are dealing with emergency costs which arose here and there through emergency conditions; for instance, where we were forced, as we were in the province of Quebec, to pay for travelling time for labour and to pay for transportation costs for labour to meet the Quebec province labour codes. Now, that is not value going into a house; that is wages and transportation being paid to labour, and I can assure you it was quite an item. The cost of heating houses during the winter is an emergency cost that should not be based on cost; it does not necessarily represent value. Construction was delayed for one reason or another, as I pointed out a while ago. First we had wet weather, then we got into winter conditions, and it is amazing how much coal you can burn up in this country under winter conditions. The situation was further involved by the fact that we could not get glass to put in our houses last fall in quite a few cases, and we had to have heat in those houses, otherwise the foundations would have deteriorated and probably would have been altogether destroyed.

These are the types of emergency conditions that arise and we have difficulty in dovetailing labour and material. First you have materials and then you have difficulty in getting labour; then you have labour and materials begin to run out; and if you hold your labour until you get the materials you must continue to pay, and if you let your labour go you have difficulty in getting labour back after you get your stuff. These are the types of things we are trying to adjust, sir, within the over-all total of \$1,000,000. There will be a great many cases where there will be no reduction authorized whatever because, as I said, the majority of these contractors did turn in a good job. We are satisfied with the present-day cost of construction, and homes of the same type of construction cannot be duplicated today for any less. We are not going to reduce them, but where there are costs which got out of line on this or that project we have to take that into consideration.

Mr. SINCLAIR: Mr. Ross and Mr. Wright put on record the statement that these \$6,000 houses are perhaps beyond the reach of the low income man. The impression in the area I speak of is the opposite. Men say that they cannot afford National Housing; they cannot afford to buy from private builders because of the capital sum. So, to complete the record for the people who read the record—not members of parliament, but Legion branches at home—will you tell us what it is going to cost the worker in Powell River per month for one of these \$6,000 houses?

The WITNESS: If the cost levels out at exactly \$6,000, the down payment is \$600. The contract is \$4,000 at 3½ per cent, and on a monthly payment rate it is \$20 a month plus taxes.

Mr. SINCLAIR: And the taxes are?

The WITNESS: They are in that general rate. If the cost to the director, either the actual cost or the adjusted cost, is \$6,500 the down payment is \$600, the contract is for \$4,500, and his payment would be—

Mr. ROSS: Over how many years?

The WITNESS: Twenty-five years. It would be \$25 a month.

Mr. SINCLAIR: I am speaking of the white collar worker; I am not speaking of the union man, of the paper-maker who gets \$1.82 an hour. The white collar man in the mill can afford to pay \$25 in his rent to purchase a house, but he cannot afford to buy a house from National Housing. Therefore, as a member representing an industrial riding I disagree with Mr. Ross and Mr. Wright. I think we should do more with this project.

Mr. WRIGHT: I am not saying it should be cut down, but if three men make applications for a house and one man has an income of \$200 and another man has an income of \$150, both can afford to pay the \$25 a month, but the man with the income of \$200 a month would get the preference and get the house.

Mr. SINCLAIR: That is unfair.

Mr. WRIGHT: That is what I say. In a great many cases building material is scarce and only so many houses can be built, and the man with the average income in the lower income group is not getting a chance, because all the material will be used up providing houses for the higher paid workers. I am saying that there should be some fair division.

Mr. MUTCH: I have no reason to doubt that statement, but I would not like the committee to have the idea that that is by any means a general condition. I do not think the allocation of houses is on that basis in many districts—that is, ability to pay, superior ability to pay—but I think in the districts I have been particularly interested in it has been a matter of seniority, sometimes on the basis of need, and so long as the man was able to show likelihood of being able to pay for the house. Certainly I do say, in support of the contention of Mr. Sinclair, that there is no other way known to me or anyone else where a man who can only afford \$25 a month rent can live in a \$6,000 house anywhere in this country, and very often the men who are being successful in getting these houses could not rent a house which would be adequate to their family needs at any price charged to-day. I know of people who are paying \$45 and \$48 and \$50 a month for houses which are inferior in point of accommodation, quite apart from the point of construction of the houses which they can get under these terms. I am not going to retract anything I said before as was quoted by Mr. Ross to-day about my dislike about the principle of establishing veteran villages and the necessity of taking into consideration something for the purely urban person. I doubted the wisdom of branching out into a large-scale housing project under the Veterans' Land Act and I still do; but I will say that these houses which have been constructed have, generally speaking in my experience, been allotted on the basis of the greatest need by seniority, and those people have got excellent houses at the lowest rent available anywhere in the country.

Mr. CRICKSHANK: Mr. Chairman, will we get an answer to the questions we asked Mr. Murchison, at our next meeting next Monday?

The CHAIRMAN: We will get the answers as soon as we can get them. That just brings up the question as to whether or not we should definitely decide to meet next Monday or whether we should leave it to the steering committee to call a meeting when we are in a position to give the full information which the committee wants.

Mr. MUTCH: That is good enough.

The CHAIRMAN: And that might not be next Monday.



Mr. Ross: I think we should leave it to the steering committee, Mr. Chairman. Mr. Murchison might not have the information necessary to answer our questions by that time. We want to get all these questions cleared up. I think we should leave it to the steering committee as to when to call the meeting.

The CHAIRMAN: Yes.

Mr. MUTCH: That is satisfactory.

The CHAIRMAN: Then that will be left to the steering committee. There is one other matter I wish to mention. Some of the members visited the health and occupational centre at Billings Bridge last year and I think they found it a very interesting visit. The buildings are now all completed and the centre has been operating at near capacity for some time. It has been suggested that we visit it again this year; and Wednesday, June 19, has been suggested as the date of the visit.

Mr. MUTCH: Is that for the evening?

The CHAIRMAN: We would go out and arrive there at 11 o'clock, which would give us time to visit the buildings, have lunch out there at 11.45, giving us more time and enabling us to get back here for the meeting of the House at 3 o'clock. Does that date of June 19th meet with the approval of the committee?

Mr. MUTCH: It is as good as any other.

The CHAIRMAN: Is that satisfactory?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Then we will adjourn until to-morrow morning at 11 o'clock.

The committee adjourned at 1.05 p.m. to meet again on Tuesday, June 4, at 11 o'clock, a.m.

## APPENDIX "A"

## NOTES RE THE VETERANS' LAND ACT

## ORIGIN AND HISTORY OF THE ACT

House of Commons, April, 1946.

The Veterans' Land Act was designed primarily—as a measure of rehabilitation—for those members of Canada's armed forces who—by reason of their upbringing—training—experience—or inclinations and abilities—might seek careers in the basic industry of agriculture.

A survey of 350,000 members of the forces disclosed—that more than 56,000 men who came from the farm—definitely stated their intentions or their desires—to settle on the land—or engage in farming—after the war.

Applying that ratio to the whole of our forces—it was evident that more than 100,000 veterans would wish to settle on the land.

In these modern days—when urban life has so much to offer—in the way of mechanized comfort and entertainment—there is—in the minds of many people a presumption—that men once separated from the land—will not return to it—unless there is some assurance of economic success.

Experience under the Soldier Settlement Act in Canada—and in Soldier Land Settlement in other countries—had demonstrated that the average settler cannot repay interest bearing debts equal to—or in excess of—the value of the land.

That is one of the principal reasons why the country—unhesitatingly—accepts the proposition—that some portion of the cost of farm settlement for veterans—must be borne by the public treasury.

The Veterans' Land Act—as we have it today—is one of the most carefully considered pieces of legislation ever adopted by the Parliament of Canada.

Formal deliberations began in May, 1940—and continued uninterruptedly for two years—until the Act was passed in the session of 1942.

One of the first Subcommittees set up—under the Cabinet Committee on Demobilization and Re-establishment appointed in December 1939—was the Subcommittee on Land Settlement.

Study of basic principles had reached a point—by May 9, 1940—which enabled the Subcommittee to recommend three principles—and to ask for authority to found their efforts upon those principles.

The three principles were:—

1. That a settler cannot repay interest bearing debt equivalent to or in excess of the value of the land.

2. That the home factor in relation to land utilization should be stressed.

3. That the scheme should include—

- (a) whole time farmer proprietors;

- (b) small holding farmers who augment their living by outside work, or vice versa;

- (c) farm tenants.

Honourable members—familiar with the present Act—will appreciate how closely the legislation adheres to those fundamentals.

The Subcommittee continued its deliberations until November 6, 1941—by which date—it was able to review a draft bill—reflecting the conclusions emanating from its year and a half of intensive study.

Early in the session of 1942—the bill was presented to the House of Commons and—as chairman of the cabinet committee—although not at that time the minister named to administer the measure—I had the honour of moving the resolution and second reading.

The debate on these stages occupied the equivalent of two full days in the House of Commons—and was participated in by forty or fifty members.

I remember it—as one of the most constructive and pointed debates—in which I have ever taken part.

Then—the bill was referred to a very strong and able special committee of this House—consisting very largely of farmer members—and soldier members.

The voluminous reports of the select committee—which are on file—show that—not only representations were received from a wide variety of interested groups—but that the honourable members of the select committee debated and discussed the details of the bill—with painstaking and conscientious zeal.

A comparison of the bill—as it was given second reading—with the reprinted bill—which emerged from the select committee—will disclose that the deliberations of the select committee were fruitful.

Numbers of amendments—reflecting the experience and advice of honourable members of this House—were included in the bill as originally prepared by our technical advisory committees and law officers.

Following this—the bill was debated in committee of the whole for a long summer day of three sittings—forenoon—afternoon—and evening—before we passed it on to third reading.

The principles—which are to be found in the Veterans' Land Act—are therefore—principles which reflect the considered judgment of the Parliament of Canada—after much more than the customary amount of debate and deliberation.

#### QUALIFICATION—1. Veteran 2. Land

In giving effect to the essential purpose of the Act—certain principles were followed:

1. It was considered that the applicant for assistance—under the Act—should possess experience or training—and tastes and inclinations—warranting the assumption that he had the qualities essential for success in a farming career.

2. It was considered essential that the land—upon which the veteran was to be settled—should be of such character and quality—as would afford the opportunity for a profitable farming operation.

To protect the veteran with regard to these two salient principles—it was provided that there should be honorary advisory committees—broadly representative of the region in which settlement was to take place—and that these committees should advise the veteran and the administration—both as to the qualifications of the applicant—and the quality of the land.

#### DOWN PAYMENT

3. It was considered essential that every approved applicant should invest some portion of his own money in the venture—as evidence of his interest—and as an anchor against any sudden ill-considered impulse to pull up stakes.

The minimum personal investment—which the Act requires—is ten per cent of the cost of land and buildings.

#### AVOIDANCE OF EXCESSIVE DEBT

4. The fourth principle—to which effect was given—was stated succinctly in the first memorandum on basic settlement policy, namely, that a farmer cannot repay interest bearing debt equivalent to or in excess of the value of the land.



While the Act required only a downpayment of ten per cent—it was felt that—if due recognition was given to the principle which I have just enumerated—the debt which the settler should be asked to carry must be substantially less than the remaining ninety per cent of the cost.

Effect was given to this principle in the Act by what has become known as a conditional grant.

The contract entered into by the settler is for the repayment of only two-thirds of the cost. Upon specific performance of his agreement for ten years—the remaining third of the cost becomes a free grant from the state.

#### STOCK AND EQUIPMENT

5. The fifth essential principle is that which provides assistance in acquiring stock and equipment.

In giving effect to this—it was considered that—since the debt repayable by a farmer veteran should not exceed two-thirds of the cost of the land—assistance in acquiring stock and equipment should be provided—in the form of a further conditional grant from the state.

The original theory was that stock and equipment should not exceed one-third of the purchase price—and it was—in fact—limited to \$1,200—at a time when the maximum permissible cost for land and equipment was \$3,600.

Ownership of the stock and equipment thus provided is not transferred to the veteran—until he has completed the ten years specific performance required under the conditional grant.

#### SMALL HOLDINGS

6. A sixth essential principle of the Act recognizes the desirability of assisting—not merely those who engage in full-time farming—but others who take up small holdings—and make part of their livings out of the land—and part from other employment.

In reviewing the early deliberations of the Subcommittee—I find a memorandum of July 22, 1940—to which the Subcommittee gave assent—in principle at least—at that time.

I quote from the reference to small holdings in that memorandum:—

Its main use would be for home purposes, any revenue being derived therefrom being supplementary to main income derived from outside employment.

Its primary attraction is low cost, low taxes, opportunity to produce certain basic subsistence supplementary to earnings.

It is not considered desirable that such settlement should contemplate compact groupings of units but the establishment of single units, suitably spaced, would not preclude the advantages of bulk purchase of building materials and the use of fairly uniform standards of construction.

Obviously such settlement must be confined to localities where there is reasonable assurance of employment to provide income to meet modest rental purchase contracts.

It is safer to assume that this type of settlement will not be associated with employment which will not in the average case or in the average year show earnings in excess of, say, \$500.

Again—in February, 1941—I find that the General Advisory Committee approved an interim report from the Subcommittee on Land Settlement—which contemplated six types of settlement.

The reference to small holdings was in the following terms:—

Small holdings near industrial centres combining the factors of home; production for family maintenance in whole or part; and industrial or other employment opportunity.

In order that the original intent of the Subcommittee may be clearly understood—it is significant that—at this same meeting—approval was given to a special report on urban housing.

This report recognized the shortage of moderate priced workers' houses—drew attention to the easy term provisions of the National Housing Act—and expressed fear lest the inclusion of an urban settlement plan in the legislation offset the basic objectives of the land settlement policy. That was in 1941!

In the proceedings before the Select Committee of the House of Commons—there were frequent references to the small holding feature and—generally speaking—the assumption was that the use of the land would provide some portion of the livelihood and maintenance of the veteran and his family.

There are casual references to tracts of from one to five acres. In one instance—the Director of Soldier Settlement referred to tracts of from one to thirty acres.

At the same time—in discussing the extent of the assistance in the way of stock and equipment which might be required on these small holdings—the opinion was freely expressed that the amount would not be nearly so great as with relation to full-time farming.

Even thus early—I note—in the evidence of the Director—references to the measures which would have to be taken—if the administration were to be called upon to build houses.

It is evidence of the forethought and vision of the Director that—as early as May 14th, 1942—in his evidence before the Select Committee—the Director forecast the need for obtaining priorities for building materials.

#### COMMERCIAL FISHING

7. The seventh principle of the Act is that which makes its general provisions applicable to commercial fishing—as well as to farming.

In application—this means that a commercial fisherman may acquire a small holding—and the \$1,200 ordinarily applied to farming equipment may be applied to fishing equipment.

#### PROVINCIAL CO-OPERATION

8. The eighth principle in the Act is that which provides for co-operative agreements with the Provinces—looking to the utilization of Crown lands.

Pursuant to this provision—agreements have been entered into with three Provinces. Where the Province supplies the land—the Dominion is prepared to contribute \$2,320 towards the cost of clearing—buildings—and other necessary purposes—by way of direct grant—and with no obligation to repay.

While the terms of the agreements differ—each Province is making further provision for the success of the prospective settler—and the agreement calls for administration by a Joint Dominion-Provincial Advisory Board.

Negotiations are in progress with several of the other Provinces—as a result of which—it is hoped that further agreements may be entered into.

Recently an agreement was reached with British Columbia—and the documents are now being drafted.

## CEILING PRICE

9. The ninth and last of the main principles of the Act is that which places a limit—or a ceiling—upon the cost which the Director may incur—in connection with an individual settler.

While the amount of the ceiling has twice been changed—the essential principle of a limit has not been lost sight of.

When the Act was first adopted—the ceiling was \$3,600 for land and buildings—\$1,200 for stock and equipment—a total of \$4,800.

Later—the ceiling was raised to \$4,800 for land and buildings—\$1,200 for stock and equipment—a total of \$6,000.

Still later—in March, 1945—it was provided that up to \$6,000 might be invested in land and buildings—but—in such circumstances—the amount available for stock and equipment would be correspondingly diminished.

The act did not purport to provide for transactions in which costs exceeded \$6,000. In the event of such transactions being approved it was clearly the intent of the legislation that any cost above the ceiling should be absorbed by the veteran. The down payment—the conditional grant—etc.—are based only on transactions up to \$6,000.

## THE WRITE-OFF—SECTION 21

From the outset of the deliberations upon this legislation—it was realized—notwithstanding all the safeguards—in a settlement undertaking of such magnitude—with a staff of more than 2,000—there was the probability of errors in judgment in appraising values and estimating costs.

The most capable and competent officials are no better than human—and it is too much to expect that—in all cases—there can be one hundred per cent accuracy in the judgment of the most conscientious officials.

The legislation contemplates that the Director shall sell to the veteran at cost—and that the cost which he may incur should be held within a ceiling of \$6,000.

However—in order to guard against the consequences of possible error—miscalculation or unforeseen difficulty—Section 21 was included in the Act.

This Section enables the Governor in Council—upon a report by the Director—and recommendation of the Minister—to sell a property to a veteran at less than the actual cost—when circumstances justify that procedure.

The whole spirit of the Act is the protection of the veteran's interest.

The veteran is not permitted to incur debt representing more than two-thirds of the value of the property upon which he is established.

Ceiling costs were introduced for the protection of the veteran.

And—in the event of the Director having incurred costs greater than should properly be charged to the veteran—Section 21 permits the Governor in Council to write the price down to a fair value.

## 1942 WARNINGS BY M.P.'s

It is suggested that there has been undue delay—in dealing with applications for settlement.

In the House of Commons—when the Veterans' Land Act was under debate—one of the keynotes of the discussion—was the emphasis laid upon proper qualification standards—both with regard to the veteran-applicant for a loan—and with regard to the property upon which he was to be settled.

The member for Acadia warned against purchasing lands that had been foreclosed.



The member for Souris urged that we should guard at all costs against placing veterans on sub-marginal lands.

The member for Davenport warned against repeating the experience in Northern Ontario—where settlers had abandoned their farms—because they were too far from markets—and the task of breaking the land was too difficult.

The member for Melfort insisted that soil surveys must be considered—and that only land of the highest two most productive types of soil should be purchased.

The member for Wood Mountain stressed the difficulty of valuing lands.

The member for Peel emphasized the question of the adaptability of the settler: "the desire to farm—and the ability to make a success of it—are two different matters. . . . The women folk are a very important factor in the success of anyone who settles on the land."

The member for Acadia said there must be nothing haphazard in the matter of selecting settlers.

The former member for York-Sunbury pointed out that "a man's own conception of his ability may not be the best one. A disinterested judgment by those who are competent to judge is essential."

The member for Haldimand said that the success of the project will depend upon the selection of the man.

The member for Melfort urged that we avoid selecting men who had not had farming experience and were unsuited to farming.

The member for Rosetown-Biggart said: "We must not make the mistake of settling men upon the land unless they are thoroughly suitable for that kind of work."

#### ADVISORY COMMITTEES

The officers administering the Veterans' Land Act have given heed to that advice from Parliament.

They exercise care—in deciding whether an applicant has the experience and qualifications necessary for success.

They exercise care—in determining that the property—upon which the veteran is to be settled—is one which will give him a fair chance to make a living.

Every transaction is reviewed—not merely by Civil Servants administering the Act—but by Advisory Committees—consisting of representative private citizens of the community—who have agreed to serve in an honorary capacity.

In most cases—the members of these Advisory Committees are successful practical farmers.

But—sitting with them also—as a rule—are one or two business men who are accustomed to dealing with farmers.

A typical example would be a feed merchant—or the manager of a farm implement company—or a bank manager.

It is no small advantage to each applicant that—before committing himself to an undertaking which affects his whole future life—he should have the advice and counsel of the practical experienced men who constitute these Committees.

This procedure—with regard to approvals—was designed primarily to protect veterans from unsound projects.

The interviews with Advisory Committees are not intended as a sort of third degree—they are intended to place at the disposal of the veteran—the very best experience and advice that can be obtained from leading successful farmers—and business men—in the community.

## UNITED STATES QUOTATIONS

General Hines—the Veterans' Administrator—in the United States—when discussing the loan policy under the G.I. Bill of Rights—said very bluntly:—

We are not going to have veterans loaned into bankruptcy.

One of the editors of the *New York Times* recently published a book entitled—"The Veteran's Program."

It is a most comprehensive guide to the benefits—rights—and options—which have been provided by United States law—for the rehabilitation of former members of the United States Armed Forces.

I would like to quote three or four sentences from the chapter of that book—which discusses the loan provisions of the G.I. Bill of Rights.

If this procedure seems to take an unreasonable amount of time, please don't let that bother you. Nine times out of ten, as older men know from personal experience, a hasty decision on a home is a wrong one. The veteran is going to own his home for a long time.

It is much easier and more agreeable to get advice in advance of committing yourself, than it ever will be to get assistance after you are on your own and, perhaps, in temporary difficulty.

The veteran can see for himself the advantages in having this cross-check made on his plans. The paper work and the delays may seem a nuisance, but often the advice will outweigh the trouble involved in going through all the formalities.

All this adds up simply to the kind of advice that any man would like to have before he goes into a new venture.

Do not borrow any more money than is absolutely necessary and be sure that servicing your debts and supporting yourself and family can be accomplished within your anticipated farm income.

No one can possibly guarantee that you will be successful. It is your money, your credit, your risk. So take your time and make it pay.

## WIVES

The Advisory Committees personally interview the applicant and—if he is a married man—they interview his wife.

I quoted the remarks of the Member for Peel—in the debate on the bill—when he said:—

The women folk are a very important factor in the success of anyone who settles on the land.

In the evidence before the Select Committee which considered the bill—references were made to the difficulties which arose with certain settlers—under the Soldier Settlement Act—due to the fact that their wives had a distaste for farm life.

The statement was made that numbers of failures—under that Act—were largely attributable to the unsuitability of the settler's wife for the career chosen by her husband.

Most honourable Members will agree that the precaution is a wise one.

However—difficulties have arisen recently—due to the fact that some members of the Canadian forces married overseas—and were returned to Canada many months before transportation for their wives was available.

Cases have arisen—where the veteran wished to acquire a farm under the Veterans' Land Act—and Advisory Committees were unwilling to deal with his application—because they were unable to interview a wife who was still in England.

In order to meet this situation—instructions were issued that this rule was not to be rigidly enforced.

In cases—where the veteran is going back into his home community—and has married a wife who has had at least some rural background in the Old Country—settlements are being approved.

In other cases—the veteran may wish to settle in a part of the country where he has not previously lived.

He may plan to engage in a type of farming—with which he has not been formerly connected.

He has a wife overseas—who was brought up in the city—and has no knowledge of farm life—either in Canada or in the Old Country.

When you have a situation like that—there is merit in an Advisory Committee thinking twice about authorizing a settlement—until they have consulted the wife—and satisfied themselves that she is prepared to face this new kind of life.

### PHYSICAL APPRAISAL

It has been the policy of the administration—that they will not authorize settlement upon any piece of property which has not been carefully inspected and appraised by a competent appraiser.

One of the awkward results of this policy is—that land cannot be judged properly when it is covered with snow.

Applications received in December and January have to be deferred until the snow has gone—unless the land has previously been inspected by an appraiser representing the administration.

It inevitably follows—that a certain amount of congestion—in the work of appraising lands—develops in the spring of the year.

For some applicants—this involves irritating delay—and we have had protests.

In the Province of Saskatchewan—it was contended that the available records on the quality of land are so voluminous—and so trustworthy—that it may be justifiable to authorize a loan—on property which has not been thus physically inspected on behalf of the Veterans' Land Act administration.

These representations impressed the Director and the senior administrative staff to the point—where instructions were issued that the rule should not be too rigidly followed.

Discretion was vested in the Regional Officers—and Advisory Committees—to approve contracts without physical inspection—where the other evidence is of undoubted reliability.

Further than that—it would not be fair to go—in the interest of the veterans themselves.

### SPEED-UP MEASURES

#### (a) *Delegation to 45 districts.*

In order to facilitate expeditious handling of applications—the work of the Veterans' Land Act administration has been progressively divided into forty-five districts—each with its own staff and Advisory Committees.

The policy of decentralization has been adopted—so that that transactions can be completed in the districts—without reference to Head Office.

This was a departure from the original terms of the Act. It was necessary—by order-in-council—to give the Director power to delegate his authority to make loans.

Parliament sanctioned this amendment in the 1945 bill.

#### (b) *5,000 settlements a year.*

In his evidence before the Special Committee on Land Settlement—at the session of 1942—the present Director—Mr. Murchison—made the following statement:—



Settlement operations should be confined to an orderly process which would not involve annual quotas in excess of numbers which can be dealt with on a sound basis . . . .

I suggest that these annual quotas should not exceed approximately 5,000, as this would tend to simplify and regulate selection of farmers and farms, and would help to create or maintain a buyer's rather than a seller's market so far as land is concerned.

It is quite apparent—from the context—that the Director had in mind two precautions:—

1. That—in the interest of veterans—there should be ample time for the available, capable and qualified staff—to give adequate consideration to each transaction.
2. The justified fear that excessive buying demand would force up the price of land.

(c) *15,500 settlements this year.*

When the administration is confronted with criticism that it is unduly slow—in dealing with applications—it should be pointed out that—notwithstanding the prudent considerations—to which I have just referred—the organization has been geared this year to a program of 15,500 settlements in the fiscal year 1946-47.

Lest there be any hasty inference that the administration has jumped to the opposite extreme—the following analysis of the anticipated settlement program is pertinent.

It is expected that the number of settlements on full-time farming will be—6,500.

That is a substantially greater number—than the 5,000—which was envisioned in 1942—and represents no slight degree of adaptability on the part of the administration.

It is expected that 3,000 settlements will be made on provincial Crown lands—under the agreements with the provinces.

Due to the supervision of Joint Dominion-Provincial Boards—these transactions involve less labour—on the part of the Veterans' Land Act staff—than a normal settlement—and for that reason—it is considered that adequate attention can be given to the 3,000 settlements contemplated.

In addition—the administration expects 6,000 settlements on small holdings. These are made up as follows:—

2,500 establishments in the houses on which construction began in 1945;  
2,000 settlements in houses to be built as individual projects by the settlers;  
1,500 settlements on properties with buildings already on them, involving only a purchase transaction.

Thus we have:—

Full-time farming .....	6,500
Provincial Crown lands .....	3,000
Small Holdings .....	6,000
Total .....	<u>15,500</u>

(d) *Increased Staff*

In order to handle this increased volume of business—it has been necessary to increase the staff.

While certain parts of the work may be purely clerical—the important functions can be discharged only by highly qualified specialists.

The men who appraise land—and who judge the prospective merits of a farm development project—must be competent, capable men.

It will be readily understood that such men are not easily found.

When the Veterans' Land Act was passed—the staff of the former Soldier Settlement Board numbered—258.

On March 1st—this year—the number of employees of the Veterans' Land Act administration was—\$1,750.

On that date also—the administration—with the co-operation of the Civil Service Commission—was in process of filling 400 additional positions.

While many of these positions are of a clerical nature—I am able to say—that the number of appraisers has been substantially increased during March and April.

This enabled the various districts to speed up the handling of applications—which had accumulated during the winter months—when land could not be inspected because of snow on the ground.

#### (e) Legal Work

There was a feeling that—particularly in Ontario—the legal work connected with the searching—and approving—of titles was unduly cumbersome—through the concentration of this work in one office in Toronto.

As the settlement of titles involves co-operation between the Department's solicitors—and the solicitors for the vendors—it was thought that transactions could be expedited if the Department's legal work were to be decentralized.

As a result—legal representatives have been appointed in a number of sub-districts—so that searches and negotiations with vendors might be expedited. Good results have followed in recent months from this change.

#### USE OF LAND ESSENTIAL

In all settlements—under the Veterans' Land Act—there are two fundamental conceptions:—

- (a) the establishment of a home
- (b) the use of the land.

In the case of full-time farming—the livelihood comes directly from the land—but there must be a farm home.

In the case of commercial fishermen—there is the definite stipulation—that the assistance given is based on the establishment of a home.

The main livelihood comes from the sea—but it was also thought that the fisherman and his family could supplement their living—by the cultivation of a garden—by keeping a cow or some poultry.

In the case of small holdings—the home is—of course—the major item—but the planners of this legislation always had in mind—that the land should make some contribution to the maintenance of the veteran and his family.

(See—Part B—Principles of the Act—“*Small Holdings*”).

#### DEMAND FOR HOUSES

It is now apparent—that the small holdings feature of the Act has made a strong appeal to many veterans—as the means of obtaining a home.

It is estimated that more than 50 per cent of those—who have applied for qualification as small holders—are influenced primarily by their need for a home—rather than by any basic desire to make maximum use of their land. Their supreme interest is in obtaining a dwelling house.

In short—the pressure for homes—on the part of veterans—in 1945—had a tendency to divert the small holdings feature of the Veterans' Land Act—into a housing measure.

## THREE TYPES OF SMALL HOLDINGS

There are three characteristic types of transactions—in connection with small holding applications:—

1. The veteran applies for assistance—in the purchase of a house and lot—which he has located himself—and which requires little or no expenditure to make it ready for occupancy.

In this case—the function of the Department—is to ascertain that the veteran is getting good value for his money—that the price comes within the terms of the Act—and that the veteran has reasonable prospect of obtaining part-time or full-time employment in the vicinity.

2. The veteran wishes to build upon a vacant lot—either one that he already owns—or wishes to buy—or one that he buys from the Director.

In these cases—a dwelling must be built. The normal transaction is for the veteran and the administration to agree upon the site—for the veteran to obtain plans and specifications—either from his own architect—or from one of the plans developed by the Department. The veteran then finds a contractor willing to build the desired house—at a figure within the ceiling prescribed by the legislation.

At this stage—the administration steps in. The Director buys the land—and lets the contract—and supervises the construction.

When the construction has been completed—and all costs determined—the Director sells the completed property to the veteran—in accordance with the terms of the Act.

Thus—although the legal control of the construction contract is in the hands of the Veterans' Land Act administration—the building operation is—in fact—carried out to the order of the veteran.

3. The third type of transaction—is that in which the Director lets a contract for the construction of a number of houses—on a sub-divided plot which has been acquired for that purpose. The houses are then sold to veterans—at prices not exceeding actual cost under the terms of the Act.

It is doubtful that this type of project—which involved construction of groups of 25 to 100 homes on acre or half-acre plots—was contemplated by those who planned the original legislation.

Due to the fact—however—that 2,698 homes were put under construction in 1945—on 127 separate projects all across the Dominion—this undertaking has attracted public attention—to a greater degree—than almost any other activity of the administration.

This was true—notwithstanding that establishment of 3,691 full-time farmers was carried out in the same period.

It was the housing shortage—which compelled the Veterans' Land Act administration—to embark on large scale construction of homes.

All of us will remember the great shift of population—which took place during the war—and the public anxiety which developed with regard to the housing problem.

Industrial expansion—during the war—compelled the Government—through Wartime Housing Limited—to erect accommodation for some 32,000 workers transferred to new localities.

Much of this temporary construction no longer serves any useful purpose—due to the curtailment of production.

## DIRECTOR'S FORESIGHT

Even prior to the adoption by Parliament of the Veterans' Land Act—the present Director indicated—by his evidence before the Select Committee—at the session of 1942—that he foresaw some of the difficulties which would surround the establishment of homes on small holdings.



He recognized that a very large percentage of these homes would have to be built.

The Director's evidence—before the Select Committee on May 14, 1942—indicates that—thus early—he appreciated the nature of the problem that would confront veterans—in connection with any building activities called for on settlements under the Act.

In his evidence—on that day—he stated that it would probably be necessary for the administration to help the veterans in obtaining priorities for building materials.

His actions—when subsequently appointed to administer the Act—were in accordance with the vision—which was displayed in his evidence.

Three far-sighted measures were adopted:—

1. Building supplies were contracted for long in advance.
2. Architectural plans for suitable houses were developed.
3. A construction branch was organized.

#### BUILDING MATERIALS

Two years ago—on June 27th, 1944—by P.C. 3847—recommended by the Minister of Mines and Resources—who was then responsible for the administration of the Veterans' Land Act—the Director was authorized to purchase lumber—to the extent of Two Million Five Hundred Thousand Dollars.

The object of this was to have available—a supply of seasoned lumber for building operations—as might be required under the Act.

The Director did—in fact—under this order in council—place contracts for that amount of lumber—and it was used in the construction program carried out in the past year.

At the same time—the Director—with the co-operation of the various controllers of the Department of Munitions and Supply—and the Wartime Prices and Trade Board—entered into agreements with trade associations for supplies of a wide variety of equipment—which would be needed in the houses to be constructed with the lumber which had been purchased.

Stoves—bath tubs—plumbing apparatus—nails—drain pipes—electrical fixtures—and a variety of similar items—were included in these arrangements.

At the time these purchases and negotiations were going on—the Act was being administered by the Minister of Mines and Resources—and I am not in a position to say authoritatively—at what point consideration was first given to the desirability of the Director construction groups of houses—on subdivision properties—to be in readiness in advance of expected demand.

However—it is obvious—that this forehandedness in conserving building materials and supplies—was equally helpful to veterans—whether houses were to be built to individual requirements—or in large groups—as was subsequently done.

#### ARCHITECTS' PLANS

It will be remembered that—when the bill was before the Select Committee in 1942—the suggestion was made by the Canadian Legion—and others—that the co-operation of the National Housing administration should be enlisted—in designing suitable types of houses—and in supervising their construction.

Conferences were held with the Director of National Housing—and the architectural staff of that administration co-operated—by furnishing a number of sets of plans for houses of a type that could be constructed under the Act.

The Director approached the Architectural Institute of Canada—and each of its Provincial Chapters. Upon their recommendation—he obtained the assistance of registered architects to prepare plans for a variety of houses suitable for the various parts of the country—conforming to proper housing standards—and which could be built at minimum cost.

Plans for a score or more of different types of houses were thus produced—and have been used—not only on the large construction projects administered by the Department—but by individual veterans building on their own lots.

### CONSTRUCTION BRANCH

In consultation with the National Housing Administration—it was found that it would not be practicable for the National Housing Act people to supervise the construction.

Their organization was not geared to a task of this sort. For one thing—they did not have the field staff.

Accordingly—the Veterans' Land Act administration organized a Building Supplies and Construction Branch—at the head of which is a civil engineer with twenty-five years' experience in the construction industry—who was appointed after a competitive examination conducted by the Civil Service Commission.

He—in turn—organized his Branch with regional and district engineers—and building inspectors—all of whom were selected by the Civil Service Commission—with the customary care and precision which that Commission applies to its selection of officials for the public service.

### EXPERIMENTAL CONTRACT—10 HOUSES

It was not until October, 1944—that administration of the Act was placed under the Minister of Veterans Affairs.

In the fall of that year—I authorized the Director to undertake an experimental project for the construction of ten houses—under departmental supervision—with a view to demonstrating the utility and practicability of a number of the designs which had been developed—with the co-operation of leading architects—nominated by the Architectural Institute of Canada.

The Pacific Coast was selected—as the most suitable place for this experiment—because weather conditions would interfere less with building operations—than in some other parts of Canada.

These ten house were built under departmental supervision—by one of the leading contracting firms in Western Canada—and under the close direction of the architect who had been nominated by the Institute.

The experience was valuable—in bringing to light—many of the problems which would have to be faced in subsequent operations.

Ten most attractive and comfortable dwellings were erected—at a basic cost quite within the terms of the Veterans' Land Act.

Three of these houses contained six rooms in one-and-a-half storeys.

Seven of them were four-roomed bungalows.

Seven separate architectural designs were used.

The final costs—including power—water—heating—land—roadway—and housing construction—ranged from \$4,241 to \$4,958.

The three six-roomed houses—with all services included—cost \$4,837—\$4,894—and \$4,958—respectively.

The four-roomed houses ranged in cost—from \$4,241 to \$4,530.

The actual cost of the construction—aside from land—roads—and the other services mentioned—ranged from \$3,701 to \$4,358.

It will be observed that the result of this experimental contract—on a management fee basis—was quite encouraging in its demonstration—that the plans which had been developed would provide houses within the ceilings laid down in the Act.

### HOUSING CRISIS 1944-45

By the winter of 1944-45—there were approximately 200,000 members of the forces discharged to civil life—and there was growing confidence in the early achievement of victory.

Already these discharged veterans were experiencing great difficulty in acquiring homes—and—in the early months of 1945—a great deal of consideration was given by the Government generally—to the preparation of a housing policy.

At this time—it was realized that there were several departments and agencies of Government affected.

There was Wartime Housing Limited—which had acquired a great deal of valuable experience—in building homes for munition workers during the war.

There was the National Housing Directorate—whose administration was strengthened—by the appointment of a leading construction man as Director General.

There was the Shelter Administration—under the Wartime Prices and Trade Board—which was in possession of a great deal of vital information about the nature and extent of the problem.

There were the various controllers and administrators of the Department of Munitions and Supply—and the Wartime Prices and Trade Board—who were in possession of data—on the availability—or otherwise—of essential materials.

One of these directors—was the Director of Construction—whose unhappy duty it was to keep a brake on unnecessary building.

Lastly—there was the Veterans' Land administration.

In settling veterans on farms and small holdings—this organization must have regard for the kind of homes in which settlers are to live—and must go into the problems connected with the purchase or construction of such homes.

All of these various branches of Government were wrestling with aspects of the housing problem in the early part of 1945.

Each Minister was briefed from the standpoint of his own department—but—with the end of the war imminent—it was essential that the Government be assisted to see the problem as a whole.

#### HOUSING COMMITTEE FORMED

On May 10, 1945—by P.C. 3409—an Interdepartmental Housing Committee was set up—to co-ordinate the activities of these various departments and agencies.

The composition of the Committee was as follows:—

- (a) the Deputy Minister of Finance;
- (b) the Chairman of the Wartime Industries Control Board, Department of Munitions and Supply, and the Co-ordinator of Controls, Department of Reconstruction;
- (c) the Chairman of the Wartime Prices and Trade Board;
- (d) the Deputy Minister of Labour;
- (e) the Director, National Housing Administration, Department of Finance;
- (f) the Director, Veterans' Land Act;
- (g) the President of Wartime Housing Limited; and
- (h) such other persons as may be approved.

The order in council imposed upon the Committee a wide variety of duties connected with housing—and I direct attention to Clause 5 (b) which provides that all departments and agencies of the Government—

before undertaking any project involving the construction or other provision of new or additional housing accommodation, the cost of which will exceed One Thousand Dollars, shall submit to and receive recommendations from the Committee on such projects.

The effect of this order in council was to bring the housing construction program of the Veterans' Land Act squarely under the authority of this most representative Interdepartmental Committee of senior government officials.



The minutes of the first meeting—which convened on May 21 and was adjourned to May 23—show that the Committee was seized of the seriousness of the housing problem.

I quote from the first minute:—

The Chairman opened the discussion by expressing the opinion that Canada is faced with a grave national emergency—arising from congestion and the housing needs of repatriated members of the Armed Forces . . . There was no disagreement with this point of view.

Statistical and other information was received—with regard to building materials—building labour—and on the operations of the National Housing Act.

Each branch of Government—able to make some contribution—was called upon for a report.

The Committee authorized Wartime Housing to proceed immediately with the construction of one hundred houses each—in Edmonton—Regina—and Winnipeg—for veterans—300 houses in all.

This number has since been expanded to between 7,000 and 8,000—but I am—for the moment—speaking only of the action taken at the first meeting of the Interdepartmental Committee.

#### V.L.A. To BUILD 3,000

The Veterans' Land Act Director was present at that first meeting.

He made a comprehensive report on the housing requirements for small holdings—of the measures already taken to meet this need—of the resources at his disposal—and also of the dangers and risks which confronted his program.

Note that—as a result of the order in council—the Veterans' Land Act administration could not build one house—without the sanction of the Interdepartmental Committee.

The Director made his report—it was discussed—and the Committee acted.

I now wish to quote the minute recording the action taken with respect to the building of homes on small holdings—under the Veterans' Land Act:—

Mr. Murchison presented a report on housing activities under the Veterans' Land Act and on his motion the Committee recommended that a program for the building of 3,000 houses on small holdings be proceeded with immediately, on whatever basis Mr. Murchison considered most favourable. Mr. Murchison drew attention to the effects of higher costs upon his program and intimated that it might be necessary for him to implement Section 21 of the Veterans' Land Act which authorizes the director to sell at less than cost.

This decision of the Committee—charged by the Government with the co-ordination of housing policy—was communicated to the Minister of Veterans Affairs—together with the Director's report upon which the Committee had acted.

The Minister upheld the Committee—and authorized the Director to go ahead.

#### DIRECTOR'S REPORT, MAY 23, 1945

In authorizing the Director to proceed with the construction of approximately 3,000 houses—the Interdepartmental Committee had before them—not only the facts about the general housing shortage—but a comprehensive memorandum by the Director, the Veterans' Land Act—from which the following extracts may be quoted:—

To meet the impact of demobilization during 1945—we have laid plans to erect 3,000 new houses on small holding acreages which have been purchased across Canada and we have on hand—or in process—approximately 3,000 units of farm land.

With this backlog, plus the properties veterans may seek out and select themselves, we felt in a fairly strong position to handle our share of the problem. We have enough lumber to build 3,000 houses—and enough farm machinery to equip 3,500 farms.

Our big problem is the cost of new homes on small holdings.

In developing plans for these homes—we have kept before us the idea of permanent housing built to standards which will endure—and of which the average veteran should be reasonably proud.

None of the designs we have developed are in the extravagant or luxury class. They embody the recognized minimum of living space and, generally, are of a type which—prior to the war—could be built at from \$3,200 to \$4,200.

What we have been aiming at is housing which can be paid for at the rate of from \$15 to \$20 a month, plus taxes, thus bringing home ownership within the vision of the veteran with a low to modest income.

With present day costs—there is no such thing as a low cost home equipped with the minimum of modern conveniences—due to the cost of building material and the cost of labour—and I want to record with this Committee—that—in my opinion—the contract bids we have received to date do not represent sound or fair value—so far as the Government or veterans are concerned.

Consequently—I must—in my position as Director responsible for operations—find ways and means to reduce these costs to the Government or the veterans—or both.

We have called for firm bids from contractors to build these new homes.

The results thus far have been very disappointing—and a point has now been reached—where a decision must be made to cancel a large part of the program projected for 1945—or take the risks of having these homes built on a cost-plus fee basis.

One such arrangement has been carried out on a small group of houses near Westminster and with good results—but in that district we have access to materials at substantially lower rates than elsewhere.

I have tentatively discussed a cost-plus fee arrangement with a responsible firm in Ontario—for the construction of approximately 400 units—100 of which would be at London; 140, Ottawa-Hull; 50 close to Toronto; and 120 at smaller points west or north of Toronto—such as Brantford—St. Thomas—Owen Sound—Kitchener—Barrie—New Liskeard—North Bay and Sudbury. This firm asks a fee of \$220 per house—in addition to their costs of construction.

I have reached a point where I feel that the risks of cost-plus arrangements is the only practical alternative to the general run of firm bids thus far received.

The firm which has offered to handle the above program on a cost-plus fee basis has set aside three million feet of lumber for our program—and if the Committee is prepared to endorse this proposal—the work can be placed under way almost at once.

Completion is a matter of uncertainty—due to the labour factor—but this could probably be helped along—if the required labour priorities can be set up.

There is still a lively probability—however—that under a cost-plus plan the resulting houses will show a cost which does not reflect firm value.

Houses of the type we have projected would cost from 25 to 27 cents per cubic foot prior to the war. Firm bids we have received run all the way from 35 cents to 44 cents a cubic foot—and I am not so

optimistic as to believe that—under a cost plus plan—we can expect anything much below 33 to 35 cents per cubic foot.

Generally—therefore—I have reached a point in my thinking where—in fairness to Canadian veterans—I feel that the Dominion should bear that part of present day cost of housing which is not represented by fair value—and I cannot bring myself to believe that any of the houses we have projected have a firm value in excess of from 28 to 30 cents per cubic foot—and it is on this basis that I suggest an adjustment of present-day costs be borne by the Dominion. Otherwise—and if this country means what has been said over and over again during the past five and a half years—veterans who need housing will be penalized by factors which will inevitably lead to frustration and bitterness.

#### DETAILS OF TENDERS

It will be observed that—in his report—the Director said he had called for tenders in a number of cases—and had received either no bids—or unacceptable bids.

The detail is as follows:—

Prior to May 21st—the Director had publicly advertised for tenders on 277 houses—in nine centres—in Alberta—Manitoba—Ontario—and New Brunswick.

In one case—no tender was received at all.

In another case—tenders were received on only eight out of thirty-one houses.

In three cases—only one tender was received.

In only two instances—out of the nine—were acceptable bids received—and these covered only 42 out of the 277 houses. Firm price contracts were let for these 42 houses.

In all other cases—prices offered were so high—that the tenders could not be accepted under the conditions laid down in the Veterans' Land Act.

Notwithstanding the decision of the Committee—the Director called for tenders in many other places.

Altogether—in six provinces—tenders were invited—with regard to 38 blocks of houses—in 33 centres.

The number of houses in the advertised projects ranged all the way from 4 to 235—so that the construction industry had full opportunity to bid on large—as well as small groups.

Tenders ranged from \$6,000 to \$9,000 a house.

And with respect to 14 of the 38 projects—no tenders whatever were received.

The number of houses—which the Director was able to let to contractors—who offered acceptable firm bids—was only 231—out of more than 2,500.

The situation was exactly as described by the Director in his report to the Interdepartmental Committee.

There would either be no houses—or they must be built on a management fee type of contract.

#### MANAGEMENT FEE CONTRACTS

The management fee type of contract was developed—and administered with great success during the war—by the Department of Munitions and Supply.

The Veterans' Land Act Director obtained his model contract from the Munitions Department—who had five years accumulated experience in how to draft it—and how to administer it.



The contract provides for continuous inspection of construction by a representative of the Director—for audits of each contract by the Treasury Branch—and for running check cost accounting under the direction of the two officials of the Department of Munitions and Supply—who have been directing the cost accounting service for all war contracts.

The fifteen contractors—to whom management fee contracts were let—were selected with great care by the Director.

All were firms with reputable standing in the construction industry. All had been employed on emergent war construction work for the Department of Munitions and Supply.

The engineers and inspectors employed by the Director were selected by the Civil Service Commission on a competitive examination Basis—and the methods of administration were those which had been proven by experience.

#### MILLION DOLLAR WRITE-OFF

Fifteen projects were administered on management fee contracts.

With respect to thirteen—no major difficulties have been encountered—although—as was anticipated—the average cost was higher than the ceilings laid down in the Veterans' Land Act.

The Government has had to take the action—which the Director foreshadowed on May 23rd, 1945—in his report to the Interdepartmental Committee on Housing.

That Committee—with the Deputy Minister of Finance presiding—and with its eyes open as to the risk—authorized the Director to proceed.

The Government has accepted—as a charge upon the Public Treasury—the excess cost up to the extent of One Million Dollars.

This action was taken by P.C. 1278—of April 2, 1946.

Such action was expressly provided for—as long ago as 1942—when Section 21 was inserted in the Act.

The purpose of this Section was to protect the veteran against being called upon to pay an excessive cost for his home or his farm.

The excessive costs arose from conditions that were not unanticipated.

There were delays in obtaining materials.

There were delays in organizing labour crews.

There were occasions when men reported for work—and material was not available.

There were occasions when materials were delivered—and required watch-keeper care until labour could be found.

Extra costs were incurred—due to the inability to obtain the appropriate percentages of skilled labour.

This sort of thing was fully anticipated—in the report presented by the Director to the Interdepartmental Committee.

There was another unforeseen cost—arising from the fact that the work was carried out in one of the wettest seasons ever experienced.

Nevertheless—on 13 of the 15 projects—the work was carried out in such a way as to give reasonably satisfactory results.

In order that the veterans who buy these houses shall not be the sufferers—they are being sold at appraised values—representing their fair value in relation to like properties.

The total cost of the 2,500 houses—built during 1945 and 1946—was in the neighbourhood of *Fifteen Million Dollars*.

The extent to which costs exceeded the permissible limits was—*One Million Dollars*—and that amount has been written off.

The excess cost covered by the write-off represents less than seven per cent of the total cost.

Those who have had experience with building construction in the past year or two will agree—that seven per cent is far below the usual amount by which actual costs exceed the original estimates.

Having regard to the well known difficulties—I suggest that the Director and his staff are to be complimented on the relative efficiency—with which this great undertaking was carried out.

Public opinion will uphold the Government—in having relieved the veterans of this margin of excess cost resulting from uncontrollable difficulties—and in undertaking the calculated risk to help meet the national housing emergency.

The terms and prices—which the veteran is called upon to meet—in connection with these houses—should be well within the capacity of the average veteran of small income.

In the typical case originally contemplated by the legislation—the ceiling cost for house and land was \$4,800.

On any house—which the Director was able to acquire at that cost—the veteran will pay \$480 in cash—and will enter into an agreement to pay \$3,200 in monthly instalments.

Under the customary twenty-five year agreement—his monthly payments will be \$19.39.

The total cost to the veteran will be \$3,680—and the conditional grant or bonus will be \$1,120.

In the spring of 1945—before the house building program was undertaken—the Act was amended to permit the Director to incur costs up to \$6,000 on house and building.

In a maximum case under this amendment—on a property costing the Director \$6,000—the veteran would pay \$600 in cash—and would agree to repay \$4,000 in monthly instalments.

On a twenty-five year agreement—the monthly payment would be \$20.20. The total cost to the veteran would be \$4,600—and his conditional grant or bonus \$1,400.

Some houses are going to be sold for more than \$6,000.

There are two ways in which this can be done.

The veteran can voluntarily augment his down-payment of ten per cent—by an amount necessary to include the additional cost over and above \$6,000.

He would then enter into an agreement to retire \$4,000—on monthly payments—at the rate of \$20.20.

The other alternative provided for in P.C. 1278 limits the down-payment to \$600.

If the cost or the appraised value is \$6,400—the veteran will make a cash payment of \$600—and will enter into an agreement to repay \$4,400 in monthly instalments.

On a twenty-five year agreement—the instalments would be \$22.22 a month.

Under both of these alternatives—the veteran pays \$5,000 for the house—and receives a conditional grant or bonus of \$1,400.

Thus—we see that the difference in the instalments required—as between a house costing \$4,800—and a house costing \$6,400—is less than \$3.00 a month.

As all houses subject to the write-off are being sold at an appraisal value—it is evident that the veteran—who pays \$22.00 a month—is getting a very much better house—than the veteran who pays \$19 or \$20.

P.C. 1278 provides that the write-off shall be applied by a Committee—consisting of the Director, the Veterans' Land Act—and the Deputy Minister of Veterans Affairs.

A great deal of study has been given to the fairest method of allocating the Million Dollars provided by the Government for this purpose.

Note was taken of the comparative market price of equivalent housing—in the areas where Veterans' Land Act houses were to be sold.

Account was taken of variations in cost of building identical houses in adjacent areas.

The Committee recommended that—for purposes of comparing similar houses—the cubic foot content would form an equitable basis of comparison.

On the other hand—account was taken of the fact that costs—in some parts of the country—are inherently greater than in others—as reflected in the prices at which private houses are being sold.

The Committee decided to apply its formula to a group of several hundred houses—now practically completed and ready for sale—and a little more than One Hundred Thousand Dollars of the write-off was applied to these houses. (See Woods-Murchison Report.)

#### NEW LEGISLATION

Two amendments to the Veterans' Land Act were approved by the Cabinet—and by the Select Committee on Veterans Affairs—in April 1946.

One is an amendment to Section 23—to permit the Director to enter into contracts with former settlers—under the Soldier Settlement Act—who re-enlisted during World War II—notwithstanding that they may be technically indebted to the Director under the former Act.

As originally adopted—the Veterans' Land Act would not have permitted a former soldier settler—whose account had not been cleared up—to enter into an agreement under the new Act.

The second amendment permits assistance to be given to tenant farmers.

It was recognized—that the ceiling prices specified in the Act—would not cover the purchase of suitable farms in some districts from which there was large scale enlistment.

Tenant farming in Western Canada is a well established practice—and many of the most successful farmers in the West began their operations as tenants.

Out of their earnings—they gradually bought in property—until they became owner-farmers—often on a large scale.

Petitions were received from numbers of veterans—who asked that some measure of assistance be given to them as tenants.

The new amendment provides—of course—that the veteran must have the experience and ability to qualify him as a farmer.

The land—which he purposes to lease—must be approved with the utmost possible care.

When these two conditions are met—the Director may advance to a qualified veteran farmer—on rented land—stock and equipment up to a value of \$3,000.

The veteran is required to make a down-payment of twenty per cent—which—on a maximum transaction—would be \$600. He is given a conditional grant of forty per cent—or in a maximum case—\$1,200.

He must then enter into an agreement to repay the balance—namely—\$1,200—in ten years.

It is stipulated that the amount of the advance shall not exceed forty per cent of the value of the land as appraised by the representatives of the Veterans' Land Act Administration.

If—at any time in the course of his agreement—the veteran decides to buy his land—he can still get a loan from the Director—up to a normal limit of \$2,800.

He must make a ten per cent down-payment of \$280—and he must repay fifty per cent of the value—namely—\$1,400—in instalments over a term of years.



The net result of such a transaction would be that the conditional grant or bonus received by the veteran would be \$2,320—which is exactly the amount of a maximum grant on a standard type of purchase agreement—under Section 9 of the Act.

It will be observed that—since the loan for stock and equipment is limited to forty per cent of the value of rented land—the farm upon which a maximum loan of \$3,000 is issued must have a value of \$7,500.

The maximum loan that can be given on the purchase of this property is \$2,800.

This formula—therefore—clearly contemplates that the veteran shall save—out of his earnings as a tenant—a sum sufficient to pay the difference between \$2,800—and the full value of the farm.

This amendment was not adopted without careful enquiry among experienced farmers as to whether such a transaction is practicable. There is ample experience to justify the belief that tenant farmers will be able to become owner-farmers with the help of this legislation.

We already have one settler who—after two years on his farm—paid up his whole agreement—and did not take advantage of the conditional grant. He preferred to be in a position to sell his farm if occasion arose.

In addition, the Director, by Order in Council, has been authorized to write off up to one million dollars of excessive cost incurred in the construction of the 2,500 homes built by contracts in the year 1945.



*Canada Veterans Affairs*  
*Office on 1946*

Doc  
Can  
Com  
✓  
CAI  
XC2  
-45V21

SESSION 1946  
(HOUSE OF COMMONS)

(SPECIAL COMMITTEE)

(ON)

(VETERANS AFFAIRS)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 27

TUESDAY, JUNE 4, 1946

WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the  
Chairman, Canadian Pension Commission;

Mr. C. B. Topp, Chief Pensions Advocate;

Mr. W. S. Woods, Deputy Minister of Veterans Affairs;

Mr. Richard Hale, Chief Pensions Officer, Canadian Legion of the B.E.S.L.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1946







## MINUTES OF PROCEEDINGS

TUESDAY, June 4, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Adamson, Archibald, Baker, Belzile, Benidickson, Bentley, Blair, Cleaver, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Gauthier (*Portneuf*), Gibson (*Hamilton West*), Gillis, Green, Harris (*Grey-Bruce*), Herridge, Jutras, Langlois, Lennard, Marshall, Mackenzie, MacNaught, Merritt, Mitchell, Mutch, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Tremblay, Tucker, Viau, Whitman, Winkler, Winters, Wright.

*In attendance:* Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission; Mr. C. B. Topp, Chief Pensions Advocate; Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. Richard Hale, Chief Pensions Officer, Canadian Legion, B.E.S.L.

The Chairman tabled a brief submitted by Veterans of Foreign Wars which is printed as *Appendix "A"* to this day's minutes of proceedings and evidence.

The Chairman read a supplementary brief received from the National Council of Veteran Associations in Canada.

Consideration of the draft of the proposed bill to amend the Pension Act was resumed.

Mr. Melville was recalled, heard and questioned.

The draft bill was amended by the addition of the following clause immediately after clause one:—

Paragraph (*ggg*) of Section two of the said Act as enacted by Section one of Chapter forty-five of the Statutes of 1933 is repealed and the following substituted therefor:—

"Hospital Allowance" means pay and allowances or compensation payable or paid by the Department to or on behalf of a person while undergoing treatment.

The draft bill was further amended by the addition of the following clauses immediately after clause ten:—

Section sixteen of the said Act as enacted by Section eight of Chapter eight of the Statutes of 1928 and as amended by Section seven of Chapter forty-five of the Statutes of 1933 is repealed and the following substituted therefor:—

When a pensioner appears to be incapable of expending or is not expending the pension in a proper manner or is not maintaining the members of his family to whom he owes the duty of maintenance, or, in the discretion of the Commission, when a retroactive pension is awarded or a pensioner is receiving treatment or care from the Department, the Commission may direct that the pension be administered for the benefit of the pensioner and/or the members of his family by the Commission or the Department or by some person selected by the Commission.

Subsection seven of Section twenty-two of the said Act as enacted by Section twelve of Chapter twenty-three of the Statutes of 1941 is repealed and the following substituted therefor:—

(7) The children of a pensioner who has died and who at the time of his death was in receipt of pension in any of the classes one to eleven mentioned in Schedule A to this Act, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not.

The draft bill was further amended by the addition of the following clause immediately after clause thirteen:—

Section twenty-nine of the said Act as enacted by Section twenty of Chapter thirty-eight of the Statutes of 1928, as amended by Section twelve of Chapter forty-five of the Statutes of 1933 and as further amended by Section sixteen of Chapter forty-four of the Statutes of 1936 is repealed and the following substituted therefor:—

29. (1) During such time as, under Departmental regulations in that behalf, a pensioner is entitled to hospital allowance while an in-patient under treatment from the Department and his pension including the pension, if any, for his dependents, is greater than the hospital allowance awardable by the Department, pension shall be reduced by an amount which will make such pension equal to the hospital allowance.

(2) During such time as, under the departmental regulations in that behalf, a pensioner is an in-patient under treatment in respect of a disability other than his pensionable disability, his pension, if in excess of the amount he would have been entitled to receive by way of hospital allowance, if the disability for which he is under treatment had been pensionable, shall be reduced to such amount; pending a fresh award, the payment of pension in full shall recommence forthwith upon the pensioner's ceasing to be an in-patient as aforesaid.

(3) Hospital allowance shall be paid from any appropriation granted by Parliament for this purpose or from moneys provided by Parliament for the payment of pensions under this Act.

(4) Notwithstanding the provisions of subsections one and two of this section, any addition to pension granted under subsections one or two of section twenty-six of this Act to a member of the forces who is blind *shall be paid during the time he is an in-patient under treatment or care from the Department.*

Clause 15 was further amended by the deletion of the words *or who, except for the provisions of subsection one of section twenty-nine of this Act, would have been in receipt of a pension in one of the said classes*, immediately after the words *mentioned in Schedule A to this Act* in the twentieth line thereof.

Clause 15, as amended, was adopted.

Discussion followed on the motion of Mr. Kidd, viz:—

That schedule B of the Pension Act be amended by increasing the additional pension for children or dependent brothers or sisters to \$360.00 per annum for each child, and by increasing the additional pension for orphan children or orphan brothers or sisters to \$480.00 per annum for each child.

And the question having been put on the said motion, it was resolved in the negative.



On motion of Mr. Green, it was resolved that the Committee recommend that the Department of Veterans Affairs conduct a survey of the position of children of veterans who have died and submit a report on the adequacy of the amounts payable and benefits available to such children.

Mr. Topp was recalled, heard regarding certain proposed amendments to the draft bill and questioned thereon.

Mr. Hale was recalled, heard regarding the amendments proposed by Mr. Topp, questioned and retired.

The draft bill was further amended by the addition of the following immediately after clause 5:—

Section 10 of the said Act is amended by adding thereto the following subsections:

- (6) The Veterans' Bureau, in addition to such duties in connection with the preparation and presentation of pension cases as are prescribed by the procedural sections of the Act, shall upon request advise pensioners and applicants upon any provisions of the Act or phase of pension law or administration which may have a bearing upon their pension claims, whether in respect of entitlement to pension under Section II or otherwise, and when deemed by the Chief Pensions Advocate necessary or advisable shall make written or oral representations to the Commission or an Appeal Board thereof in furtherance of such claims.
- (7) For the purposes of the next preceding subsection of this section Pensions Advocates shall be empowered to attend and assist the pensioner or applicant, or, in his absence represent him, at any hearing before the Commission or an Appeal Board thereof at which he is entitled to be present.

Clause 24 of the draft bill was amended by the addition of the following words: "*and that he may have the assistance of the Veterans' Bureau free of charge or of a service bureau of a veteran organization, or other representative at his own expense, in the preparation and presentation of his application,* immediately after the words *with or without additional evidence* in the twenty-third line thereof.

It was agreed that consideration of two further amendments proposed by Mr. Topp be deferred until the next meeting.

It was ordered that the draft of the proposed bill, as amended, be renumbered and printed for distribution to members of the committee at the next meeting.

It was agreed that the committee confer with the Minister of Veterans Affairs in camera at the next sitting immediately after consideration of the draft of the proposed bill has been concluded.

At 1.00 o'clock p.m., the Committee adjourned until Thursday, June 6, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS

June 4, 1946

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: The steering committee has considered certain matters. One matter which they have considered is a brief submitted by the secretary of the Veterans of Foreign Wars, maritime command, which they felt should be put in the record as an appendix without being read. Is that satisfactory, gentlemen?

Some Hon. MEMBERS: Agreed.

(Brief referred to—Appendix "A")

The CHAIRMAN: Then there was a brief which had just come in, a short one, submitted by the National Council of Veteran Associations in Canada. They do not ask to appear but they ask that the committee consider their brief. As you know, gentlemen, the member associations of the National Council of Veteran Associations in Canada are the Canadian Corps Association, the Canadian Pensioners' Association of the Great Wars, the War Amputations of Canada, the Sir Arthur Pearson Association of War Blinded, and the Army and Navy Veterans in Canada. Your steering committee felt that, in view of the fact that they had already submitted a brief and that this was a supplementary brief to the one which they had already submitted, they should have their brief read into the record. So, as it is not a long one, and it is being distributed, I will just read it now. It reads as follows:—

### NATIONAL COUNCIL OF VETERAN ASSOCIATIONS IN CANADA

#### SUBMISSION TO THE SPECIAL COMMITTEE ON VETERANS AFFAIRS SESSION 1946

Mr. Chairman and Members: On November 5th, 1945, we made a presentation to the Special Committee on War Veterans Affairs, autumn session, on behalf of our member organizations comprising:—

The Canadian Corps Association,  
Canadian Pensioners' Association of the Great Wars,  
The War Amputations of Canada,  
Sir Arthur Pearson Association of War Blinded,  
Army and Navy Veterans in Canada.

Since that presentation the Canadian Paraplegic Association has joined our council. This association was organized within the past year and most of the 200 paraplegia cases of the second great war are active members.

Our member organizations followed with the keenest interest the deliberations and recommendations of the special committee of last autumn. We note with relief and gratification favourable action taken, or under consideration, in respect to the following items upon which we have made recommendations:—

1. *Multiple Disabilities* (Our November '45 Brief, Page 6). Award of compensation by the Canadian Pension Commission on straight addition of individual assessments.



2. *Section 11(c), Canadian Pension Act.* (Relief from disturbance through application of means test). (Brief, Page 9). This problem has been solved through the restoration of the insurance principle for service in Canada cases.

3. *Assistance for Small Businesses* (Brief Page 13). We note that this matter is under consideration.

4. *Education and Training Allowances* (Brief, Page 12). Now being considered under the rehabilitation provisions.

5. Our council notes also that some progress has been made in the provision of

- (a) more adequate *Hospital Accommodation* (Brief, Page 3),
- (b) substantially improved measures for maintaining *Medical Staffs* (Brief, Page 3),
- (c) attempted action in respect to adequate and satisfactory provisions for *Medical Post-Discharge Treatment* of Veterans in their home communities (Brief, Page 4). In respect to this question we are greatly disturbed by reports that the matter of cost has been a complicating factor in putting into operation what promised to be an adequate and well-designed plan when formulated over a year ago.

We have reviewed all other recommendations made on November 5 last on behalf of our council, and here again request that earnest and sympathetic consideration be given to them. We realize that the multiple recommendations made to your committee from many sources based on widely different points of view are apt to be distracting. We desire, however, to emphasize the fact that the recommendations which we made at that time were based on many years of personal experience of our memberships and executives. They cover especially those features of existing provisions or administrative regulations which have been, in our opinion, responsible for difficulties or inequities experienced. We have already stressed the fact that we have always extended the fullest co-operation possible to respective governments and to the department charged with the responsibility of administering provisions for veterans.

We still consider that our November recommendations were well founded in respect to

- (a) Adjustment of *Clothing Allowances* for early casualties of the Second Great War (Brief, page 2);
- (b) *War Service Gratuity* (Brief, page 2);
- (c) *Medical Records* (Brief, page 4);
- (d) *Helplessness Allowances* (Brief, page 7);
- (e) *Deadlines Affecting Widows, Wives and Children* of disabled men of the First Great War (Brief, page 8);
- (f) Improvements in Allowances for Widows with Children (Brief, page 8);
- (g) Removal of unfortunate restrictions in respect to *Workmen's Compensation Payments* (Order in Council, 102-3375, May 3, 1944) (Brief, page 10);
- (h) *Housing* under post-war emergency conditions (Brief, page 14). Unless much greater progress in relieving existing emergencies, especially for veterans, is made within the next four months, we are convinced that October 1946 will mark a most serious crisis.
- (i) *Seniority with Respect to Labour Agreements* (Brief, page 15).

We again submit that all these subjects have a right to your careful consideration.

We have noted with deep concern that some confusion still exists in the public mind as to the basis for our so-called war pensions. (War Disability Compensation). Our records indicate clearly the high percentage of cases in receipt of compensation who have had direct contact with the enemy. Dependents in any category can establish only such claims as can be traced basically to the serviceman—especially the front-line fighting man. We note with interest the tendency to develop social legislation to aid veterans who cannot establish a claim for compensation for war injuries and to extend the Pension Act to improve the lot of dependents.

On November 5 we placed a very important recommendation before the special committee having reference to the pensioner (war disability compensation case) who, becoming unemployable, should be enabled to apply for and receive war veterans allowance. We respectfully point out that the basic rate of compensation, established in 1916 and augmented by the high-cost-of-living bonus for other than commissioned ranks, has continued to date despite fluctuations of living cost and with the present trend definitely upward with no limit in sight.

For every increase in the general cost of living the compensation dollar is reduced in value. Approximately 10 per cent of all war disability compensation cases in Canada are in the 100 per cent disabled class (\$75 per month). More than 60 per cent are receiving compensation for 50 per cent disability or less (\$37.50 per month or less). Even disability cases who can supplement their compensation by earnings feel the pinch between the increasing cost of living and the increasing effort needed to carry on under the mounting strain of war disability plus failing capacities due to age and other infirmities.

It is much worse, however, for those disabled men, of whatever disability rating, who have reached the point where they can no longer earn. They cannot supplement their compensation: they cannot secure assistance unless their rate of compensation is below relief of war veterans allowance standards, in which case they may be supplemented to such levels only.

Our recommendation was that war disability cases should be given eligibility to apply for war veterans allowance in order that their war disability compensation for war injuries, coupled with war veterans allowance to cover incapacities due to war strain, age and infirmities, might afford a reasonable and well-deserved standard of living. We believe that such unemployable war-disabled men are entitled to this from their Country.

#### *Basic Rate of Pension (War Disability Compensation)*

There is a strong feeling on the part of all member organizations of our council that we must record with the government of Canada, through your committee, our definite conviction that, with the cost of living still rising, the time will soon come—if it is not already here—when we must insist on a substantial increase in the basic rate on behalf of our war-disabled.

We realize, of course, that this would be most helpful to the major disability group. It would not solve the problem of the unemployable group having disabilities rated at less than 50 per cent (\$37.50 per month or less). Hence our firm belief that we would still have to insist on a more generous application of war veterans allowance for the latter.

We respectfully urge that the needs of the front-line serviceman and the question of his war disability compensation rates should not be lost sight of despite the great variety of suggestions and recommendations designed to benefit all other service groups.

At this stage of your proceedings it is our earnest desire to facilitate decisions and action. On behalf of our member organizations, therefore, we have again taken the liberty of drawing your attention to outstanding needs as we see them. It is our hope that you may find full time and opportunity to recommend solutions.

We insist that the most stable group in the whole of Canada are those who have fought and suffered most for the country. These men did not bargain when their country needed them most: they should not be forced to bargain for the necessities of life in the future.

Respectfully submitted,

NATIONAL COUNCIL OF VETERAN  
ASSOCIATIONS IN CANADA,

E. BOAKER,  
*Chairman.*

P. B. MELLON,  
*Secretary.*

June 1st, 1946.

Now may we take up the amendments which have been printed and distributed? They are the amendments proposed by the chairman of the Canadian Pension Commission in regard to the continuation of pension for the men who goes into hospital. I presume members of the committee have studied this. There has just been one question raised, and that is the reason for subsection 5. I wonder if Brigadier Melville would just explain that?

**Brigadier J. L. Melville, Chairman, Canadian Pension Commission, called.**

The WITNESS: I would almost suggest, Mr. Chairman, that we wait until we come to the section, as a similar amendment is made to a preceding one; but it is inserted here because of certain words which are deleted.

Mr. GREEN: Could we take them one at a time?

The WITNESS: Yes.

The CHAIRMAN: Yes.

Paragraph 1.

1. Paragraph (ggg) of Section two of the said Act as enacted by Section one of Chapter forty-five of the Statutes of 1933 is repealed and the following substituted therefor:—

*“Hospital Allowance” means pay and allowances or compensation payable or paid by the Department to or on behalf of a person while undergoing treatment.*

Mr. CROLL: Let us just take that slowly. I have missed a couple of meetings and I should like to know what this is about.

The CHAIRMAN: The reason for this is that in times past when a man went into hospital his pension was suspended and then it had to be re-entered into payment. The Canadian Pension Commission feel that this will remove the administration of the Act, and it is a suggestion made entirely by them.

The WITNESS: Mr. Chairman, I should say that it is by the department, treasury and the commission and everybody concerned in this regard.

Mr. CROLL: Yes, I agree.

The CHAIRMAN: Is paragraph 1 carried?



*By Mr. Gillis:*

Q. I should like to ask Brigadier Melville a question. Is it the practice that, where a member of service personnel is undergoing hospital treatment and is discharged from hospital, the amount of money paid him while in hospital is deducted from his war service gratuity?—A. No.

Mr. GILLIS: I have a case or two where it was.

Hon. Mr. MACKENZIE: Send us the case, will you?

The CHAIRMAN: Is paragraph 1 carried?

Some Hon. MEMBERS: Agreed.

Mr. GREEN: There is just one question that I have. The amendment reads "means pay and allowances for compensation"; should that not be "means pay and allowances or compensation"?

The WITNESS: "Or compensation" is the way it reads in my copy, Mr. Green. "Pay and allowances or compensation" is quite correct.

The CHAIRMAN: That is a misprint.

The WITNESS: Yes.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Yes.

(Paragraph 1 agreed to.)

The CHAIRMAN: Paragraph 2.

2. Section sixteen of the said Act as enacted by Section eight of Chapter eight of the Statutes of 1928 and as amended by Section seven of Chapter forty-five of the Statutes of 1933 is repealed and the following substituted therefor:—

When a pensioner appears to be incapable of expending or is not expending the pension in a proper manner or is not maintaining the members of his family to whom he owes the duty of maintenance, or, in the discretion of the Commission, when a retroactive pension is awarded or a pensioner is *receiving treatment or care from the Department*, the Commission may direct that the pension be administered for the benefit of the pensioner and/or the members of his family by the Commission or the Department or by some person selected by the Commission.

The WITNESS: A brief explanation might help, Mr. Chairman. As the section now reads, pension may only be paid to the department for administration when a pensioner is admitted for veteran's care, unless he appears to be incapable of expending or is not expending the pension in a proper manner or is not maintaining his dependents. It would appear desirable to vest with the commission more direct authority to pay pension to the department when the pensioner is receiving any form of treatment. That is the purpose of this amendment.

Mr. GREEN: That extends the power of the department to keep the pension away from the man, does it not?

Mr. CROLL: For the benefit of his family.

The WITNESS: For the benefit of his family, very very definitely. It is in the best interests of the veteran.

Mr. GREEN: I am not questioning the merits of it for the moment; but the effect is to give the department broader power to refuse to pay the money direct to the man, broader power to administer his pension. Is that not correct?

The CHAIRMAN: Yes.

Mr. CROLL: Yes, that is quite right.

The WITNESS: Yes.

Mr. GREEN: Why is it necessary to take that broader power? I think the men very often resent having their pensions administered by the department rather than being able to have them paid to themselves. You may be quite right in asking for an amendment, but I should like to know why you want that wider power.

Mr. MUTCH: I should like a little better explanation too.

The WITNESS: These hospital allowances are never administered when it is not considered in the best interests of the member of the forces. There is always a very, very good reason why that action is taken. The department does not desire to have accounts to administer. It is a very simple matter, to pay a pension; but if as a result of complaint, and that complaint is established by investigation, the officials of the department consider such action should be taken, and they are very definitely of that opinion, administration should be carried out. They are always prepared to review and reconsider provided that the situation has changed, and the dependents are receiving the provision or care they are entitled to from the allowances which are payable on their behalf. I speak very definitely on this question, Mr. Chairman and gentleman, from my own personal knowledge as a district administrator, not alone as chairman of the Canadian Pension Commission. I am speaking from personal contact; and in fact I know very very few cases where this action has not been advisable where complaint has been raised. The commission or the department has definitely been justified in putting the moneys under administration.

Mr. GREEN: You have power under the section to administer where a man is incapable of expending or is not expending the pension in a proper manner or is not maintaining the members of his family to whom he owes the duty of maintenance or, in the discretion of the commission, when a retroactive pension is awarded or a pensioner is receiving treatment or cure from the department. That last power is the only one that has been changed by this Act. Before, you could only exercise that power where the man was getting veterans' care. Now you can exercise it where he is getting any kind of treatment in a hospital.

The WITNESS: That is correct.

Mr. GREEN: What I want to know is why you found it necessary to ask for wider power to deal with the man who is getting treatment in a hospital.

The WITNESS: From the experience of the department, confirmed by the situation which has developed since World War II; and that opinion has been arrived at by those who are intimately concerned. It results from a conference between the officials in all of the districts throughout Canada and those officials at head office who have the responsibility of dealing with this particular problem.

Mr. GREEN: What type of case has arisen that has caused you to ask for this extended discretion?

The WITNESS: May I speak off the record, Mr. Chairman?

The CHAIRMAN: Yes, if you wish.

(Discussion off the record).

The CHAIRMAN: Is that section carried?

Some Hon. MEMBERS: Carried.

(Paragraph 2 agreed to).

The CHAIRMAN: Then paragraph 3.

3. Subsection seven of Section twenty-two of the said Act as enacted by Section twelve of Chapter twenty-three of the Statutes of 1941 is repealed and the following substituted therefor:—

(7) The children of a pensioner who has died and who at the time of his death was in receipt of pension in any of the classes one to eleven

mentioned in Schedule A to this Act, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not.

Will you explain the purpose of that, Brigadier Melville?

The WITNESS: This would appear necessary in view of the proposed amendment to section 29 (1). It is assumed, however, that the deletion would be effective only from the effective date of the amendment; in other words, that it would not preclude favourable consideration of an applicant where the death of the pensioner has occurred during the time pension was suspended under the present provisions of section 29 (1).

*By the Chairman:*

Q. It is for administrative assistance? A. Yes, it is for administrative assistance.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

(Paragraph 3 agreed to.)

The CHAIRMAN: Then paragraph 4.

4. Section twenty-nine of the said Act as enacted by Section twenty of Chapter thirty-eight of the Statutes of 1928, as amended by Section twelve of Chapter forty-five of the Statutes of 1933 and as further amended by Section sixteen of Chapter forty-four of the Statutes of 1936 is repealed and the following substituted therefor:—

29 (1) During such time as, under Departmental regulations in that behalf, a pensioner is entitled to hospital allowance while an in-patient under treatment from the Department and his pension including the pension, if any, for his dependents, is greater than the hospital allowance awardable by the Department, pension shall be reduced by an amount which will make such pension equal to the hospital allowance.

(2) During such time as, under the departmental regulations in that behalf, a pensioner is an in-patient under treatment in respect of a disability other than his pensionable disability, his pension, if in excess of the amount he would have been entitled to receive by way of hospital allowance, if the disability for which he is under treatment had been pensionable, shall be reduced to such amount; pending a fresh award, the payment of pension in full shall recommence forthwith upon the pensioner's ceasing to be an in-patient as aforesaid.

(3) Hospital allowance shall be paid from any appropriation granted by Parliament for this purpose or from moneys provided by Parliament for the payment of pensions under this Act.

(4) Notwithstanding the provisions of subsections one and two of this section, any addition to pension granted under subsections one or two of section twenty-six of this Act to a member of the forces who is blind *shall be paid during the time he is an in-patient under treatment or care from the Department.*

Will you explain that, please, Brigadier Melville?

The WITNESS: Section 4 is to provide for the continuation of pension payment during treatment for a pensionable disability or while undergoing observation at the request of the commission and providing for a reduction of pension during such in-patient treatment where pension exceeds the hospital allowance awarded. The situation, very briefly, is that when a total disability pensioner is admitted to hospital, he has a deduction of \$15 per month from his pension on account of hospital maintenance. That is to provide for that deduction in such cases.



The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Subsection 5.

The WITNESS: Just a minute. That is subsection 1, is it not? Are we quite right there?

The CHAIRMAN: Subsection 4 we carried. We are now on subsection 5.

The WITNESS: On subsection 4, I might make this observation, that this will amend the previous amendment to this subsection which was carried by the committee.

Mr. CROLL: You had better carry it. It is too complicated now without anything additional.

The WITNESS: We carried that a few days ago. If that is just amended as now amended, it will be in order.

*By Mr. Green:*

Q. How would it read?—A. Just as you have it before you. Last week we carried an amendment to provide for continuation of helplessness allowances.

*By the Chairman:*

Q. Yes, we carried that already.—A. Yes; and this is slightly modified to meet the new conditions.

Q. That when they are having veterans care, they can get helplessness allowances?—A. Yes. It is slightly modified from what you carried before.

Q. Just brings that in line with the fact that it continues when they are actually getting care?—A. That is right.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

(Paragraph 4 agreed to.)

The CHAIRMAN: Paragraph 5.

5. Subsection two of Section thirty-two of the said Act as enacted by Section sixteen of Chapter twenty-three of the Statutes of 1940-41 is repealed and the following substituted therefor:—

(2) Subject as in this Act otherwise provided, the widow of a member of the forces who was at the time of his death in receipt of a pension in any of the classes one to eleven, inclusive, mentioned in Schedule A to this Act shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not,

(a) in the case of service during *World War I*, if she was married to him prior to the first day of *May, 1944*; and

(i) the death of her husband has occurred more than one year subsequent to the date of marriage, or

(ii) the death of her husband has occurred less than one year subsequent to the date of marriage and the Commission is of the opinion that he had at the date of such marriage a reasonable expectation of surviving for at least one year thereafter;

provided that in awards made to widows married on or after the first day of January, 1930, no payment shall be made hereunder for any period prior to the first day of May, 1944.

(b) in the case of service during *World War II* and in the case of service during peace time, if she was married to such member of the forces before he was granted a pension; provided that in cases in which marriage has taken place subsequent to grant of such pension, she shall be entitled to pension,

- (i) if the death of her husband has occurred more than one year subsequent to the date of marriage, or,
- (ii) if the death of her husband has occurred less than one year subsequent to the date of marriage and the Commission is of the opinion that he had, at the date of such marriage, a reasonable expectation of surviving for a least one year thereafter;

and further providing that no payment shall be made under this subsection from a date prior to that from which pension is payable under the provisions of section thirty-seven of this Act.

Would you explain that, please?

Mr. BENTLEY: I thought we removed that date line?

The WITNESS: That is my first observation, Mr. Bentley. In accordance with the action which was taken by the committee last week in sub-paragraph (2) (a) the words "she was married to him prior to the first day of May, 1944" will be deleted. That is in accordance with what was passed last week, Mr. Chairman. The question has been asked as to why this section should be amended. May I quote the words which are deleted? If you refer to the Act to-day you will find in line 4 of subsection (2) of section 32 the following words which will be deleted: "or who, except for the provisions of subsection (1) of section 29 of this Act, would have been in a receipt of a pension in one of the said classes." Those words are deleted. Otherwise the section remains unchanged as it was passed by the committee last week.

The CHAIRMAN: What is the effect of that? Would you just explain that to the committee?

*By Mr. Green:*

Q. That is the only change, really, is it not? The only change is taking out those few words?—A. Taking out those few words, yes. The effect of it is this, that if a pensioner dies who is in receipt of pension in classes 1 to 11, his widow and children are entitled to pension irrespective of the cause of death. The purpose of this amendment is that if that same pensioner is in hospital undergoing treatment, he shall be presumed to be in receipt of pension. In the old days, pension was suspended while he was in receipt of hospital allowance. Therefore we had those words in the Act. We now delete the words in the Act because the pension is continued during the whole period of treatment.

The CHAIRMAN: Is that clear to the committee?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: That is carried?

Some Hon. MEMBERS: Carried.

*By Mr. Green:*

Q. The date lines are out?—A. Yes, that is the understanding.

Mr. MUTCH: The committee recommended that they be taken out.

(Paragraph 5 agreed to as amended).

The CHAIRMAN: We had a motion by Mr. Pearkes. The motion was moved by Mr. Pearkes that the draft bill be amended by the addition of a new section of the proposed Act to be numbered 62A to read as follows:

62A. There shall be a presumption that the applicant's condition as recorded . . .

No, that is carried. Mr. Kidd moved the motion I have in mind.

Mr. MUTCH: Mr. Pearkes' motion carried. It was Mr. Kidd's motion that you refer to.

Mr. PEARKES: My motion was carried as amended by Mr. Herridge.

Mr. HERRIDGE: That is correct.

Mr. MUTCH: We just got the wrong amendment.

Mr. PEARKES: I was quite satisfied with that.

The CHAIRMAN: I remember what it was, in any event, although I cannot put my hand on it. The motion was that the allowance be \$30 in respect of a widow's child and \$40 a month in respect of an orphan child; in other words, that the appendix to the Pension Act be amended, schedule B. You will find the reference in schedule B where it says: "Additional pension for children or dependent brothers or sisters for above ranks". The suggestion is that where it says "one child, \$180," that shall be changed to \$360, which is \$30 a month; that where it says "orphan child or orphan brother or sister, \$360", it shall be \$480 which is \$40 a month; and that that would apply to each subsequent child.

Mr. QUELCH: It is proposed to double the rates.

The CHAIRMAN: It doubles the rate in regard to a child or dependent brother or sister. It doubles it in regard to the first child, in regard to the second child it more than doubles it; and of course the increase is even more in regard to the third and subsequent children, as I understand the amendment. In other words, three children today get \$15, \$12 and \$10; they get \$37 a month. Under this amendment, three children would get \$90 a month instead of \$37. Under the present Act as to the orphan child or orphan brother or sister, the first one gets \$30 monthly, the next one gets \$24 and the next one \$20. Is that not right?

The WITNESS: Yes.

The CHAIRMAN: So that the three would get \$74. The effect of this amendment would be to raise it to \$120.

Mr. CRUICKSHANK: What schedule is that?

The CHAIRMAN: That is schedule B.

Mr. CROLL: Page 371.

Mr. CRUICKSHANK: Would that be for officers?

The CHAIRMAN: It applies to everybody below the rank of lieutenant.

The WITNESS: The rates for children are the same for all ranks.

*By Mr. Cruickshank:*

Q. All ranks are the same?—A. Yes.

Q. I thought maybe the generals were trying to get more.

The CHAIRMAN: Brigadier Melville will explain it.

The WITNESS: At the meeting on 31st ultimo a motion was tabled that the rate for children of pensionable widows be increased to \$30 per month and for pensionable orphan children to \$40.

In order that the committee might be fully informed in that regard the commission prepared a statement from actual statistics.

Schedule "B" rates for children are—first child \$15; second child \$12; each subsequent child \$10. These rates are doubled (\$30, \$24 and \$20) for orphan children. The proposed amendment would grant an increase to a flat rate of \$30 for every child and a flat rate of \$40 per month for each orphan child. (Brothers and sisters in similar categories would be granted like increases.)

I believe that certain figures and facts should be placed before you in respect of this matter and with this end in view I have prepared a statement computed from the figures available as at the 31st December, 1945, the end of last year. It must be borne in mind that this statement covers only Schedule "B" rates, that is, rates payable in respect of members of the armed forces after their death. It requires more detail because the present rates are staggered—that is, \$15, \$12 and \$10—and I might add that the statement includes the



small number of brothers and sisters involved. The figures I quote are actual figures from pensions in payment and are divided between World War I and World War II.

## WORLD WAR I

	No.	Present Annual Liability	New Annual Liability	Increase
First Children .....	1310	\$235,800	\$471,600	\$235,800

*By Mr. Croll:*

Q. What do you mean by new annual liability? Is that what it would be if the amendment is adopted?—A. The new liability would be that amount.

Q. If it were adopted?—A. Correct.

Q. It would be \$471,000?—A. \$471,600, an increase of \$235,800 for the first child.

Q. Do you wish all these details, Mr. Chairman, or that I give an outline and they would then be put in the record? Or would it be more clear to the members if I give the details now?

The CHAIRMAN: It might be. It is just a matter of how the members would like to have it. I fancy they would like to have it the way you are giving it and then they can ask questions as to the totals afterwards.

The WITNESS: Very well. Continuing:

## WORLD WAR I

	No.	Annual Present Liability	Annual Proposed Liability	Increase
First Children .....	1310	\$235,800	\$471,600	\$235,800
Second Children ....	384	55,296	138,240	82,944
Subsequent Children.	320	38,400	115,200	76,800
First Orphans .....	138	49,680	66,240	16,560
Second Orphans ....	31	8,928	14,880	5,956
Subsequent Orphans.	30	7,200	14,400	7,200
	2213	\$395,304	\$820,560	\$425,260

There probably would be some increase in the World War I annual liability for several years to come but generally speaking this would be offset by children reaching the age limit.

## WORLD WAR II

	No.	Present Annual Liability	Proposed Annual Liability	Increase
First Children .....	6560	\$1,180,800	\$2,361,600	\$1,180,800
Second Children ....	2574	370,656	926,640	555,984
Subsequent Children.	1608	192,960	578,880	385,920
First Orphans .....	85	30,600	40,800	10,200
Second Orphans ....	34	9,792	16,320	6,528
Subsequent Orphans.	19	4,560	9,120	4,560
	10,880	\$1,789,368	\$3,933,360	\$2,143,992

That is the immediate liability which would have gone into effect as at 31st December, 1945, for all children and orphan children in receipt of pension at that time. But that does not complete the liability. The World War II increase at 1st January, 1946, would be \$2,143,992, as I have said. There would be an immediate potential to cover cases arising since January 1st and the figure would increase fairly rapidly for some years to come, probably reaching a peak additional cost of over \$5,000,000.

At 31st December, 1945, the total estimated cost of Children's rates (at \$30 monthly) under Schedule "B" for World War II, namely, \$3,933,360 would represent approximately 17 per cent of the total pension bill or 25 per cent of the pension bill for dependents.

## SPECIAL COMMITTEE

## SUMMARY

	No. Children	Increase
World War I .....	2,213	\$ 425,260
World War II .....	10,880	2,143,992
		<hr/> \$2,569,252
		at 31 Dec. 1945.

World War I cost is small as compared with World War II figures and this comparison would be more marked within a short time. It will be noted that the suggested increase would not benefit the children of World War I to the same extent as those of World War II. This might be explained by stating that except for isolated instances, benefit could only accrue to ex-members of the First Great War whose death occurred after 1928. And if you add to that the period for which pension is payable on behalf of children, you will see the reason for that remark.

The original schedule was presumably drafted on the basis of a scientific arrangement and the percentages are supposed to work out on a proportionate basis. Thus a totally disabled pensioner would receive one-third more if he were married—his pension is \$75; he gets an additional allowance of \$25 for his wife, making a total of \$100—and a widow would receive one-quarter more if she had one child. Widows' allowance is \$60. The allowance for one child is \$15. To select any particular group for an increase would throw the whole structure out of its present alignment and I would suggest that an increase based along the lines suggested would be out of proportion to the basic rate for disability pensioners and widows. I feel it necessary to make that observation and will now state the reasons.

The following tables, based on the proposed increase, are recorded as examples of disparity in income. The average income from family allowances is added for comparative purposes.

TABLE I

	Widow	Widow 2 children	Widow 3 children	Widow 6 children
Pension .....	\$60	\$120	\$150	\$240
Family Allowance.	..	11	16	25
Total .....	<hr/> \$60	<hr/> \$131	<hr/> \$166	<hr/> \$265 monthly

The number of widows with six children is not large but we do have some with nine or ten or more.

Frequently where there are two children or two remaining on pension of opposite sexes the age limit is reached almost simultaneously and the income would drop from \$131 per month to \$60.

That again, gentlemen, is because a boy reaches the expiry age at 16 and a girl at 17, so not infrequently we find that these two children are of opposite sexes and they may go off pension at approximately the same date.

TABLE II

	Single	Disability—100% disabled. Married	2 children	3 children	6 children	Widows 2 children	3 children	6 children
Family Allowance	\$75	\$100	\$127	\$137	\$167	\$120	\$150	\$240
..	..	..	11	16	25	11	16	25
	<hr/> \$75	<hr/> \$100	<hr/> \$138	<hr/> \$153	<hr/> \$192	<hr/> \$131	<hr/> \$166	<hr/> \$265
		Disability—100% disabled.					Widows	

Thus a totally disabled pensioner with wife and two children would have income of \$138 as compared with income of \$131 for a widow and two children. If there were three children he would have \$153 to her \$166 and for six children \$192 to her \$265.

TABLE III

If perchance the 100 per cent pensioner were a widower and did not employ a house-keeper the rates would be:

	No children	1 child	2 children	3 children	6 children
Widower .....	\$75	\$90	\$102	\$112	\$142
Widow .....	\$60	\$90	\$120	\$150	\$240

NOTE: To this table should be added Family Allowances.

Compared with the income from Provincial Compensation rates, Mothers Allowance, War Veterans Allowance, etc., the difference is tremendous. It will be appreciated that an increase to the select group of recipients would disturb the proportionate ratio to some considerable extent.

In the estimate of costs the awards payable under various orders in council—by that I mean merchant seamen, A.R.P. and so on—have not been included and this would add to the amounts estimated.

With regard to schedule A rates—that is for disability pensioners—I might mention that there were additional allowances in force on December 31st, 1945 for:

World War I—32,988 children

World War II—18,407 children.

That is factual information, Mr. Chairman and gentlemen, based on the resolution which was moved.

The CHAIRMAN: Would anyone like to ask any questions?

Mr. QUELCH: Mr. Chairman, personally I have heard very little complaint regarding the general scale of pensions. Of course, eventually the general standard of living in Canada may be raised to such a level that the present rate will become out of line; and then it would be appropriate to bring about an increase. But my main concern is regarding the wives and dependents of those soldiers who do not come within classes 1 to 11 of schedule A; that is, those who come within classes 12 to 20, or who are not pensionable at all. In that case the widows and dependents are dependent entirely upon the War Veterans' Allowance Act for help. I think that, before we change the rate of pensions, we should first of all try to bring about a change in the rates under the War Veterans' Allowance Act.

Mr. HERRIDGE: Mr. Chairman, Mr. Quelch has expressed my views in this matter. I have had quite a lot to do with pension cases and I find very little complaint against the present scale that is paid. But I should like to see something done with regard to amendment of the War Veterans' Allowance Act.

Some Hon. MEMBERS: Question.

The CHAIRMAN: All those in favour of the amendment say aye? Those against say nay. In my opinion, the nays have it, and the amendment is lost. (Motion negated.)

Mr. GREEN: Mr. Chairman, I think there is a question there. The amendment is lost, I take it?

The CHAIRMAN: Yes.

Mr. GREEN: I think there is a question here to be considered by the committee. It is quite obvious that in many cases the child of a deceased veteran is under a handicap as compared with the child whose father is still alive. It was on that basis that the Legion and the National Council of Veteran Associations submitted their recommendation that we should look into the whole question of the position of the child of the deceased veteran. The Legion, for example, says this:—

It is largely in respect to widows, with children, that the Legion believes serious consideration is warranted. A widow, with two children, where the rank of her late husband was below that of a captain (army),



lieutenant (navy), flight lieutenant (air force) receives a total of only \$87 per month, which includes \$27 per month for her two children. When these children reach high school age, it is manifestly impossible for the widow to provide the children with adequate shelter, food, clothing and books. In other words, three adults should not be compelled to try and maintain themselves on such an inadequate amount. The Legion feels that, when a man has made the supreme sacrifice in the service of Canada, his children especially should be given every chance in life; and an undue burden should not be placed on his widow.

Then they said a little further on:

It also means that such children; no matter how brilliant, rarely have any chance to obtain university courses and, thus, are practically barred from the professions.

The Legion believes these children should be given generous consideration, especially those who must go through life without their father.

I think there is a question there to be faced. I would suggest something of this type, that the department conduct a survey of the position of these children of the veterans who have died and after they have made that survey, submit a report on the question of the inadequacy of the amount payable in respect to such children. That, I think, would get at the root of the matter. There has been no such investigation made as yet, and the submission made by these two soldiers organizations merits further investigation, I think. It should not be simply forgotten. I believe there is something in their suggestion; in fact, a great deal in it. Investigation may show that there is not, but what is the harm in having the department carry out an investigation of that kind?

Mr. WRIGHT: Mr. Chairman, I should like to support Mr. Green in his contention in regard to some better act for the children of the men who have lost their lives in the war, especially with respect to education. It is absolutely impossible under the present rates, for a widow to give high school education and college education to the children of veterans who have been killed overseas. If that veteran had returned to Canada, he would have been entitled under our present schedule, to have gone to university himself; and it would seem only fair to me that that benefit he could have had under the Act, had he returned, should be made available to his children when they come of age, that they are able to take high school or university education. I know, from experience from the first great war that there have been large numbers of children of veterans of the first great war who have not been able to secure the education that they would have been able to have had had their father returned. I think there is a real problem there, and that it is something that is going to become more acute as time goes on. I certainly agree with Mr. Green that the matter should be given study and some definite action taken with regard to it.

Mr. Mutch: Mr. Chairman, I am not going to quarrel with the suggestion made by Mr. Green and Mr. Wright that a further study of the educational problem of the children of deceased veterans should be undertaken. But I do think this, that too often these investigations take place in such places as Vancouver, Winnipeg, Toronto and Montreal, for instance,—in the larger centres,—where the difficulties are very much greater than they are in the larger areas of Canada, and where a sum of money has very much less value. I have had experience myself of teaching large numbers of sons of veterans in high schools in the smaller centres of my own province. I have knowledge of very many of them distinguishing themselves academically; and I think it is too bad to suggest in this committee, where our reports go out, that generally speaking the children of deceased veterans are underprivileged in matters of education. I think there is a modicum of truth in it. I think we could do better than we

have done; but I think sometimes, in our urgency to get all that we can for the dependents of those to whom we owe so much, that we are inclined to forget the conflicting values with respect to a fixed sum of money, and the equality of opportunity in those centres of Canada where costs of education or of living are nothing like parallel. Over and over again we have representations made to us with respect to the inadequacy of certain grants which, I feel sure, are based on the higher costs of living in the larger urban centres. I have some knowledge of the rural areas of western Canada, and I have some knowledge that the discrepancies are nothing like as great as have been suggested. So I would suggest this, that if such a study is to be undertaken, it should be undertaken broadly; and that they should go into rural Ontario, rural Saskatchewan, rural British Columbia and the maritime provinces, and see if they cannot strike a more accurate national balance than can be obtained, for instance, from a summary which was made in the province of Ontario in centres of 7,000 or 8,000 and up.

Mr. Ross: Following what Mr. Mutch has said, may I just point this out? Many of these people from these rural parts of the country do not have those advantages of higher education in their communities, and they have to send their children to these larger centres. Naturally, it costs them more than it does a person whose home happened to be there. I think these other people he talks about with the lesser costs of living are at a greater disadvantage than are those people living in the centres he has mentioned, because they have to send their children to those centres and it costs them more to live away from home than it does if they had the same system of education where they were living.

Mr. CROLL: Mr. Chairman, I think Mr. Wright has the germ of an idea. That struck me just quickly, and perhaps it will appeal to the committee. There are a great number of these veterans who would have profited and who would have gone to school. I do not think it is beyond the realm of administrative capacity for the department and for this committee to make some recommendation that may be carried through. In the case of a veteran who leaves, say, one or two children, I think if any one of those children desires to go to school at a future date or to take a college education, then the opportunity the veteran would have had might very well be carried on to one of those children. The government would have paid out the cost at the present time and would have given him that opportunity. I know in my experience regarding veterans of the first war, during some 3 years that I had to do with them in the province of Ontario, we found that education was badly neglected. We found it difficult for these children to obtain an education, as is obvious to all of us. If one of the children wanted that,—and maybe only one child will want it,—he should be able to get it. If one child wants it, he ought to have it. I think it ought to be carried on, because it is an investment. It is an investment in our own country and something we appreciate. The number of people who have taken advantage of the educational facilities and training facilities at the present time is something that will pay this country dividends in the final analysis; not to-day, not to-morrow, but in the years to come. I think a study should be made with a view to carrying that on as a legacy so that it is available to them, if they are suitable in the opinion of the department, and desire it. I think we ought to lay our plans now and tell the department what we think ought to be done, so that when these children grow up they will have these advantages which they would otherwise not have.

Mr. CLEAVER: Mr. Chairman, I have one suggestion I should like to leave with the committee, and it is this. When this enquiry is made, I should like to suggest that some thought should be given to setting up something in the nature of a special fund to take care of the education of bright children who should go on to higher education rather than simply raising the general level right across the board and giving it to children who would not make good use of it



at all; to take care of the education of those few extra bright children who should go on to higher education. They would need substantially more than any increase we should give the general group, and any attempt to increase the general group beyond actual need might do more harm than good.

The WITNESS: Might I say one word here regarding the provision in the Pension Act to-day? I realize it is for the limited few, but I think you should know that when a boy reaches the age of 16 and a girl reaches the age of 17, pension payable on their behalf may be continued provided they are pursuing and satisfactorily carrying out higher education, and that award may continue until they reach the age of 21. I may say that the commission is very glad to have that provision in the Act and to see that benefit is extended in every case where the extension would result to the advantage of the child and meets the requirements of the section 22.

Mr. CRUICKSHANK: Might I say a word here very briefly, Mr. Chairman? I agree with the previous speakers, but I would say this. We have allowed \$60 to single veterans who are going to university. I do not know how we can limit the rest to \$10 or \$15 or whatever we pay to the mother, and expect them to go on after 18 years of age. I mean, it is not consistent, talking of dollars and cents; if we pay \$60 for four years to our single men to go on to university, we should be able to find some way that the soldiers' orphans could go on too.

Mr. GREEN: Would a recommendation of this type meet with the approval of the committee? We recommend that the Department of Veterans Affairs conduct a survey of the position of children of veterans who have died and submit a report on the adequacy of the amounts payable and the benefits available to such children. That is wide enough for them to report on the children of the war veterans allowance recipients, and also on the children of men from this war who would have got re-establishment credits or educational benefits had they lived. I think that is wide enough to allow the department to go into the whole situation. I would be prepared to move that resolution.

Mr. HERRIDGE: Mr. Chairman, I just want to say briefly that I am heartily in sympathy with the spirit of the motion proposed by Mr. Green, and the remarks made by Mr. Wright and other members of the committee; but I do not think that will be a solution to the question. If you consider the number of men and women in this country who have served in the armed forces of Canada, and consider that carefully, I think you will realize that is it only a partial solution to the question. In my opinion, the solution to this question is a fundamental one, and lies in making educational advantages available to all the children in the country. That is my opinion. I think that would be the soundest course to pursue—and you would get the same results over the whole community—rather than to approach it from this angle.

The CHAIRMAN: Gentlemen, if I may be permitted to speak personally from the chair, may I say that I have very great sympathy for the idea that a child should not suffer because his father lost his life in defending his country. I think that, some time in the very near future, we have got to consider the state undertaking to try, so far as the advancement and education of the child who lost his father in the defence of his country is concerned, to place him in as good a position as if the father had not volunteered and had not lost his life. I may say that the matter has been discussed in the department at considerable length; I can assure you of that. I think I can say that they are very sympathetic to the idea that children should not suffer for the patriotism of their father and for his unfortunate death as a result of his patriotism. I have thought about it and I think the answer to it is that the government, at some time, should set up a trustee board, or perhaps one for



each province, to administer a fund for the advancement and education of the children whose fathers lost their lives in the defence of their country.

Mr. CLEAVER: Hear, hear.

The CHAIRMAN: As I say, I am speaking very much personally on this, but I think it is something along the line that has been mentioned by the committee and perhaps going a little bit further; because I am very sympathetic to the child who perhaps is not brilliant but who would like to get trained in a trade or something like that, and who has as much right to make his way in life as the person who is brilliant and wants to get trained as a doctor.

Mr. MUTCH: And is just as important to society.

The CHAIRMAN: So I think that this whole committee, and I am sure the department also, is very sympathetic to the whole problem. I suggest that we do not actually consider the amendment at the moment, if Mr. Green is willing to take this suggestion, but that we think about it and before we bring in our final report we actually make some sort of recommendation that commends itself to the committee; in the meantime perhaps our department, which has been thinking about the matter and studying it, might wish to make some suggestions for the guidance and help of the committee. Is that satisfactory to the committee?

Mr. ADAMSON: Mr. Chairman, what was that suggestion of yours? Was it that the boards that would be set up would be provincial authorities and that those children of veterans referred to should be chosen on a selective basis?

The CHAIRMAN: No. What I had in mind was that we set up trustee boards that perhaps would have on them university presidents and people like that, and others representing labour organizations, representing veterans' organizations, and that they be provided with a reasonable amount of money to advance and educate the children whose fathers lost their lives in defending their country. That is just the thought I had in mind as a possibility. A child that could not get through without getting a little bit of help could lay his case before this board and the child that was finding great difficulty in getting a university education might apply to this board. I do not think we should limit it to the amount that the father might have got from his re-establishment credit at all, because the father might have a very small re-establishment credit and the children might be in such circumstances that they would require quite a bit more help than the re-establishment credit would furnish. I do not think myself that the re-establishment credit idea is the answer to it, although it gives you an argument, because if the veteran had lived he would have got it. It gives you an argument as to why the children should get something, but I do not think it is the complete answer.

Mr. WRIGHT: Mr. Chairman, that was what I was using as an argument. I would say this with regard to these children. Every child of a veteran should be entitled to at least an education to the extent of a high school education or of technical training equal to that. I think that is a minimum that they should be entitled to; and then if there is going to be any selection, it should be after that. I think every child in Canada is entitled, in this day and age, to at least a high school education or technical education to the extent of a high school education.

Mr. QUELCH: You say the children of any veteran, whether the veteran is alive or not?

Mr. WRIGHT: I would say every child in Canada. I agree with Mr. Herridge. But unfortunately as a dominion parliament, education does not come within our jurisdiction; so that we can only deal with the cases of veterans here and hope that the other will take place at some time. But I do think that in the

case of veterans' children, the least we could do is to see that they do have a high school education and then the chance, if they have the ability, to go on to college to further their education.

Mr. MUTCH: Did I understand your suggestion to be Mr. Chairman, that rather than passing the resolution moved by Mr. Green, which is simply an expression of the desire of this committee that the department should study this thing, that might be left over in the hope that in our final report we might possibly be able to offer some concrete suggestion to do something about it? Is that your suggestion?

The CHAIRMAN: That is what I thought. If we left it to our final report, we might discuss it before we bring it in. We could adopt the suggestion that the department study it. We might even state suggested lines they might pursue.

Mr. MUTCH: If there is any chance of our getting a concrete report, I would urge that.

The CHAIRMAN: Is that satisfactory?

Mr. GREEN: I think there is considerable value in having a recommendation passed by the committee now. I think probably we all agree on the need for the investigation being made and a report being obtained at the earliest opportunity. If we go on record as in favour of it now, then the department can start at once on their investigation; and if they can bring in a report before the committee finishes its work this session, so much the better. We could then put in a further recommendation.

Mr. MUTCH: So long as this does not shelve it, I am for it.

Mr. GREEN: I think the very fact of our passing a recommendation means that the problem cannot be shelved by the department, but that they must go ahead.

The CHAIRMAN: I assure you there is no desire on their part to shelve it; they have been studying it and thinking about it, I can assure you.

Mr. GREEN: I think it would be wiser to have a recommendation approved by the committee.

Mr. MUTCH: I see no harm in it.

The CHAIRMAN: This is the motion—

Mr. CLEAVER: Mr. Chairman, in order to finalize this, I would suggest that each member of the committee would go back to his office and write out his thoughts on the subject, mail in the individual recommendations to the chairman, and the steering committee could then meet and draw up a composite recommendation containing all of our different views which they thought were of merit and bring that in at the next meeting. I should like to see something a little more definite than your resolution, Mr. Green.

Mr. GREEN: I think, Mr. Cleaver, that none of us have sufficient facts to be able to make definite recommendations as to what steps should be taken. I think the first thing to be done is to find out what are the facts. That is why I have suggested that the department carry out an investigation right away.

The CHAIRMAN: This motion of Mr. Green's is pretty well along the lines I had in mind, that the department look into it and make a report on it. That is pretty well what I suggested. The motion reads as follows—

Mr. CLEAVER: Mr. Chairman, I do not want to take up the time of the committee needlessly, but I think that suggestion made by you is a good one. I think that some trustee fund should be set up, something that will be more flexible in its administration than a pro rata administration over the whole field. I really think, Mr. Green, that if we have a few hours in which to do it, we could adopt a resolution that would give a little more in the way of a lead

or direction as to the type of enquiry we wished to be carried out by the department.

Mr. GREEN: We can do that after we get the report from the department.

Mr. BLAIR: Mr. Chairman, during the weekend I had a resolution amounting to almost the same thing from the local branch of the Canadian Legion in my own town. They are thinking about this. I had not been able to make up my mind just how it should be done. What we are talking about this morning is exactly the resolution brought in by the local branch of the Legion. In Ontario only about 3 per cent approximately of the collegiate institute pupils reach university. I feel that a chance should be given to these brighter pupils to receive a university education if it is at all possible. But on the other hand, a boy waiting to take up technical training should also get an opportunity. I am entirely in favour of this thing. The only trouble, as far as I am concerned, is this. I have been thinking about it over the weekend and I have not made up my mind yet just how you could draft that, whether it would be a fund or a scholarship or how it could be administered. However, it was in my mind; and I heartily approve of the idea of a resolution to consider this matter.

Mr. CRUICKSHANK: Mr. Chairman, may I ask a question? Is the resolution moved by Mr. Green merely that we recommend that an investigation be made?

The CHAIRMAN: Yes.

Some Hon. MEMBERS: Question.

The CHAIRMAN: I was just going to read the motion. It reads:—

That the Department of Veterans' Affairs conduct a survey of the position of children of veterans who have died and submit a report on the adequacy of the amounts payable and benefits available to such children.

In other words, it is asking the department to look into it and report to us, and then we could further consider it and make a final report.

Some Hon. MEMBERS: Question.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

(Motion agreed to.)

The CHAIRMAN: You have some submissions, have you not, Brigadier Melville?

The WITNESS: In response to a request received last Friday, the commission has considered the subsection proposed to be added to section 62, which reads as follows:—

62A—There shall be a presumption that an applicant's condition as recorded on his acceptance as a member of the forces was in fact his condition at that time and that any subsequent deterioration during service was due to such service; subject to the provisions of paragraph (c) of subsection (1) of section 11 of this Act.

This proposed subsection appears to be contrary to the provisions of section 11 of the Pension Act. The effect in our opinion would be to give full pension for an aggravation to everyone whether service had been rendered in a theatre of war or not. Therefore, it would place a person who did not serve in a theatre of actual war in a much more favourable position than the person who did, as the latter would only get full pension for an aggravation when the provisions of section 11 (1) (c) had been fulfilled, that is to say, the condition was not obvious, recorded, etc.

If you will refer to section 11 (1) (c) of the Act you will see very definitely with regard to pre-enlistment condition, that no deduction shall be made from the degree of actual disability of any member of the forces *who has served in a theatre of actual war*.



Furthermore, the proposed subsection states a presumption, "that subsequent deterioration shall be deemed to be due to service." This is capable of the interpretation that all cases of service in Canada shall be considered "as arising out of and being directly connected with service." Consequently, all pensions in such cases might be paid retroactively notwithstanding the proposed provision to limit such cases to payment from June 1st, 1946, as provided in the recent order in council, P.C. 2077.

If the proposed subsection is to stand it would, in our opinion, only be workable and in conformity with the present provisions of the Pension Act if there were inserted after the word "presumption" in the first line the words "in case of service in a theatre of actual war." The subsection would then read:—

62A There shall be a presumption, in the case of service in a theatre of actual war, that an applicant's condition as recorded on his acceptance as a member of the forces was in fact his condition at that time and that any subsequent deterioration during service was due to such service; subject to the provisions of paragraph (c) of subsection (1) of section 11 of this Act.

If this were done it would in effect be just repeating the provisions of section 11 (1) (c) of the Pension Act.

Mr. BENTLEY: Mr. Chairman, it sounds reasonable the way Brigadier Melville tells it, and it may have that effect; I do not know. But in the first place, to define an actual theatre of war has been a very difficult job for this committee. I remember in the war service grants discussion you were trying to figure out whether people who flew over Newfoundland should be included; then we came to the Queen Charlotte Islands, and the same applied. Again we come to the place where you have division of opinion among the members. I just want to give you one case. I have had several like this, but this one is rather a concrete case, that of a young man I know who wished to get overseas, but when he was on draft at a place here in Canada he got sick with pneumonia. He was married and living out at the time. When he got sick, this night, his wife called up the doctor and the doctor said he would come in the morning. It was quite late before the doctor did come and both the wife and the sick soldier claimed he was drunk. I am not going to answer whether that was right or try to debate whether that was right or not. That was their claim. They took him out of bed in his pyjamas, put him in a truck on a cold day in the winter and took him to a military hospital with pneumonia. At the hospital he contracted scarlet fever. Finally he was discharged on account of his health. He reported to the civilian doctor in his home town. The civilian doctor asked what treatment he had got when he had gone in there, and when he explained the treatment he had got, the civilian doctor said he should have had a certain serum for scarlet fever, and it probably would not have left him in the condition he was in. He came out of the army badly crippled with arthritis and things of that nature. I happened to know the young fellow pretty well and know that he was a good strong healthy youngster before he joined the army and during his early life when he was working for a living before he joined. I am myself convinced, regardless of any medical advice, that his disability is attributable to army service, whether he had it in a theatre of actual war or not. He was an active soldier, on draft and ready to go overseas. He did not get there, but nevertheless his condition is attributable to service, in my opinion and in the opinion of some others, I believe, who know of similar cases.

I do believe the time has come when, if we are going to ask people to join the army to protect us, in the first place we should decide as a country whether we want to pay for the protection or not, or whether it is better not to fight but rather to lose to somebody else who wants to impose his particular will on us. Having made the decision that we prefer to fight rather than to be imposed on by

somebody else, we should not be reluctant to pay the cost. We should be able to mobilize sufficient medical advice in this country to be able to obviate the necessity of having the bottom three lines, three words of which were struck out the other day on our recommendation; I refer to the words, "was wilfully concealed". They should not be necessary. As to "was obvious", you can see that. If a man comes in with his arm shot off, you can see that. "Recorded on medical examination" seems to me to be unnecessary. We should be able to say, when we take a man in and investigate him thoroughly, whether he had disabilities before he came in. If he did, then put him in a category where he would serve under that and be liable for benefits according to that category, or else say we cannot use him at all. But once having taken the man into the army to serve, and he serves where he is told, it should then be a liability of the country to see that if he gets a sickness while he is in the army, he gets proper medical attention by proper doctors and not by someone who has got an appointment, or who was sometimes utterly unfit. We have all known doctors of that kind in the army. Then if they cannot—

The CHAIRMAN: Mr. Bentley, I suggest that we have gone over all this and we have decided on it.

Mr. BENTLEY: We are dealing with something that Brigadier Melville brought up this morning; and whether you decided it or not, I have not. I am presenting this argument this morning because I believe it is necessary—

The CHAIRMAN: If you will permit me to say so, Mr. Bentley, I did not know what the brigadier was going to bring up. I think he has brought up something that raises a point that is already decided on, and I do not think we should take any more time discussing it. The committee has already decided on the matter, and it seems to me that is the end of it until we come to make our report.

Mr. BENTLEY: If you are ruling out of order what I have said, Mr. Chairman, you had better rule what the brigadier has said out of order too.

The CHAIRMAN: I am quite prepared to say that I think it is dealing with something that we have already decided on. I did not know that he was raising this question again. It is something, of course, that will have to be considered when the government is deciding on the form of the bill which it will bring into the House. Of course we can discuss it again when we get that bill back from the House. But I do not think we should take time discussing it again, having made a decision on that.

Would you, Brigadier Melville, go on with the next item, please?

The WITNESS: I think, after that, I have no next item, Mr. Chairman. I am sorry, but if you will look at the proceedings, you will find that the commission was asked to state just what was meant by those words.

The CHAIRMAN: I am not finding fault with your submission, Brigadier Melville. I am merely saying that I do not think that we should reconsider what we decided the other day; that is all. I think that your submission is something that the government will consider.

Some hon. MEMBERS: Carried.

The CHAIRMAN: The next thing is the submission of the Veterans' Bureau, by Brigadier Topp. You have a submission in regard to proposed changes in the Veterans' Bureau?

Brigadier C. B. TOPP: Mr. Chairman and gentlemen, pursuant to the direction of the committee a few days ago, I have studied the draft bill and have prepared several amendments to the Act which I will submit, with your permission, Mr. Chairman.

The CHAIRMAN: There are some copies here which can be distributed among the members as far as they will go.

Brigadier TOPP: Shall I carry on?

The CHAIRMAN: Yes.

Brigadier TOPP: First of all, we have an amendment which is intended simply to state what are already the functions of the Veterans' Bureau. That would be done by means of an amendment to section 10 of the Pension Act as follows:—

Section 10 is amended by adding thereto the following subsections:—

(6) The Veterans' Bureau, in addition to such duties in connection with the preparation and presentation of pension cases as are prescribed by the procedural sections of the Act, shall upon request advise pensioners and applicants upon any provision of the Act or phase of pension law or administration which may have a bearing upon their pension claims, whether in respect of entitlement to pension under section 11 or otherwise, and when deemed by the Chief Pensions Advocate necessary or advisable shall make written or oral representations to the commission or an appeal board thereof in furtherance of such claims.

(7) For the purposes of the next preceding subsection of this section pensions advocates shall be empowered to attend and assist the pensioner or applicant, or, in his absence represent him, at any hearing before the commission or an appeal board thereof at which he is entitled to be present.

As I stated the other day, the Veterans' Bureau is not hampered by the absence of this authority but we are able to carry out our duties only, in effect, by consent of the commission. We felt that, since the commission is daily dealing with a very large number of cases, the need now and in the immediate future years to come for a strong, authoritative Veterans' Bureau to look after the ex-service personnel is of greater importance than ever it has been. The commission, of necessity, must depend very largely upon its staff for the preliminary work in presenting cases for its decision in the earlier stages, and we feel that we ought to have a clear statement in the statute itself of the duties and responsibilities which, in fact, we discharge at the present time.

The next proposal is merely an amendment for the purpose of giving the Veterans' Bureau a means of making representations to the commission on questions of interpretation and of obtaining decisions thereon. The amendment is to section 5 of the Pension Act and reads:—

Section 5 is amended by adding the following subsection:—

The Chief Pensions Advocate may make representations to the commission upon any question of interpretation and the commission shall render a decision thereon.

That, too, in effect is simply a declaration of what is now done.

The third amendment is simply as the result of an error in omitting from the draft bill a provision that the applicant shall have the assistance of the Veterans' Bureau. The amendment is:—

Add to the end of subsection (2) of the proposed section 52A the following words:—

And that he may have the assistance of the Veterans' Bureau free of charge or of a service bureau of a veteran organization, or other representative at his own expense, in the preparation and presentation of his application.

Those words are already in the statute in the existing section 52 but were inadvertently omitted in the draft before the committee.



Mr. MUTCH: Is that clause with respect to "at his own expense" in the amendment? Is it legally possible for anyone to charge for representing a pensioner before the commission? No fees are permitted to anyone, are they?

Brigadier TOPP: No fees are permitted to a pensions advocate.

Mr. MUTCH: No.

Brigadier TOPP: But an applicant is at perfect liberty to employ his own solicitor if he wishes to do so.

Mr. MUTCH: And pay him.

Brigadier TOPP: But the bill of that solicitor must be taxed before it is paid.

The CHAIRMAN: The next suggestion is what, Brigadier Topp?

Brigadier TOPP: Fourthly, section 52A covering procedure for dealing with World War II applications contains a provision whereby the commission may order that detailed summary of evidence shall not be delivered to the applicant when he is suffering from a disease in the neuropsychiatric group. A decision under the provision is taken only on expert medical advice and is in the interest of the applicant. The amendment to section 52 hereunder is merely to bring the provisions of the existing section dealing with World War I applications into conformity with the new section dealing with World War II cases. The amendment is:—

Section 52 is amended by adding thereto the following subsection:—

(9) Where an applicant is suffering from a neuropsychiatric disease, it shall be a matter within the discretion of the commission whether either the applicant or his representative shall be furnished with a summary of evidence.

The CHAIRMAN: That has nothing to do with the Veterans' Bureau.

Brigadier TOPP: I might say that after the other meeting, the chairman of the commission with whom I had previously discussed this point, made a further suggestion which I think perhaps he would explain.

The CHAIRMAN: Would you do that, Brigadier Melville?

The WITNESS: With regard to the first proposal by the Veterans' Bureau, of an amendment to section 10, as Brigadier Topp has stated, what they are asking for now is authority for procedure which actually is in effect to-day. I know of no case which has been referred to the commission in which the bureau has desired to act and they have not acted on behalf of the applicant. With regard to the amendment to section 5, questions of interpretation, the Veterans' Bureau does refer questions of interpretation to the commission and the commission is always only too pleased to consider and advise. I will admit that in some instances there are delays, delays which we consider to be in the best interest of the applicant; because sometimes it is not advisable to be too hide-bound in rendering a decision or ruling that applies to one specific case which may fetter you when you want to do something for another one.

Mr. CLEAVER: Before you leave the amendment to section 5, Brigadier Melville, is there any provision in the Act for the Veterans' Bureau to go beyond obtaining a decision of the commission in regard to interpretation?

The CHAIRMAN: No.

The WITNESS: No.

*By Mr. Cleaver:*

Q. And in your opinion is that necessary? Should there be a provision for the Veterans' Bureau to go beyond the commission in regard to interpretation?—A. No. There is no such provision, Mr. Cleaver. The powers and the jurisdiction of the commission are very definitely laid down in section 5. The

commission shall have full and unrestricted power and authority and exclusive jurisdiction to deal with and adjudicate upon all matters relating to the award, increase, decrease, cancellation, etc., of any pension awarded under the Act.

Mr. MUTCH: On that point, would it be possible for someone to take a case on interpretation to a higher court and might the court not find in fact that your interpretation was wrong, even though they had no influence to change it?

Mr. CROLL: Quite.

The CHAIRMAN: No, because the Act provides that the commission is the final authority for interpreting the Act.

Mr. CLEAVER: Yes, but does the commission ever go, when in doubt as to the correctness of its decision, outside? Does the commission ever seek further advice?

Mr. CROLL: Is the commission ever in doubt?

The CHAIRMAN: You see, in Great Britain there is the right of appeal to the high court; and as to the rights that parliament thought it gave to the veterans, they found, after an interpretation in the higher court, that the court ruled they did not have those rights.

*By Mr. Cleaver:*

Q. As a matter of fact, does the commission ever seek further advice?—

A. No, because the jurisdiction of the commission is very clearly defined in the Act. But I will ask Commissioner Conn, who is a lawyer, to reply very briefly to the question you raised, if it will help.

Mr. H. A. L. CONN: I have not got a copy of the Veterans' Bureau proposal; but just replying specifically to Mr. Cleaver's point here, we do not ask the advice of anybody in regard to the interpretation of any section of the Pension Act.

Mr. CLEAVER: That answers my question; because if the commission do not do it, obviously the Veterans' Bureau should not have the right. So I am content.

*By the Chairman:*

Q. There is just one thing about it. It says "shall render a decision thereon." Anyone who is a lawyer knows the danger of getting an abstract decision which may tie your hands on subsequent specific cases. I doubt very much if you are wise in asking for the right that the commission must render a decision, even when they think it is not in the best interests of the administration of the Act. I think they should have the right to withhold the rendering of a decision on abstract cases, and I think it would be better if that were to be "may render a decision." However, we will hear from the Legion on that, perhaps, and see what they think about it.—A. I appreciate your remarks, Mr. Chairman. They are exactly what I was going to express. I think it is advisable not to make it obligatory. The third observation or recommendation of the Legion was with regard to the inclusion of a paragraph that there would be no charge etc. and to make things clear in the minds of the veterans. I see no objection why that should not be added. As to the last one, "where the applicant is suffering from a neuropsychiatric disease, it shall be a matter within the discretion of the commission whether either the applicant or his representative shall be furnished with a summary of evidence," I would say this. I worried about this last night for a considerable time. I telephoned Brigadier Topp this morning and told him that I had certain ideas on the subject and I gave him my ideas. I had no sooner finished than he said, "I have

arrived at exactly the same opinion." Now let me state the opinion. The order in council, and we have now approved this for incorporation as part of the Act, says, "Where an applicant is suffering from a neuropsychiatric disease, it shall be a matter within the discretion of the commission whether either the applicant or his representative shall be furnished with a summary of evidence." The commission is a body with its headquarters in Ottawa. All claims to pension are dealt with by an advocate, either the Veterans' Bureau, a representative of one of the recognized organizations of ex-servicemen or the man's own lawyer. I have arrived at the conclusion—and I know my colleagues on the commission agree with me in this regard—that it would be much better to leave that discretion in the hands of the local advocate. Why? Because he knows the man. He has been in personal contact with him. He has sat down and he has discussed with him the further prosecution and presentation of his claim to pension. The advocate has available to him all the treatment services of the department. He can go to the neuropsychiatrist of the department right in the man's own locality, the specialist who has examined that man on many occasions and who is in a position to advise and say, "It does not make any difference whether he gets this summary of evidence or not. I know it would not worry him." Or, as opposed to that, he might say, "It would be very definitely in the worst interest of this veteran to give him this summary of evidence. You would upset him even more than he is today." As the provision is today in the Act, it gives to the commission in Ottawa the power to decide whether or not that shall be done, and the commission refers it to Dr. Eyres who appeared before you, the head of the neuropsychiatric division. He does it in the abstract.

*By Mr. Croll:*

Q. While you are there, Brigadier Melville, on the point of leaving responsibility in your hands—and I thought you were going to get to the point—may I ask you this. Why do you not act on the recommendation of the advocate, when it is your responsibility?—A. We let the advocate decide that.

Q. No, the advocate recommends to you that in this case the evidence will or will not be given. Then it is your responsibility. Then it is not abstract. He has dealt with it.—A. We would rather that the advocate who prepares the case and the summary of evidence, and that is the very document we are dealing with—

Q. He is not as qualified as you are?—A. He can get the information from the local authorities. He is part of the department. He is dealing with the chief medical officer of the department. He is dealing with the specialist of the department and he himself is with the department, acting for the man in presenting the case to the commission, as counsel for the man.

Q. Will the man take it as easily from him as he will from you?—A. I would say easier, because he is dealing with his own counsel.

The CHAIRMAN: When this is put in as an amendment to section 52, it would not apply to World War I, would it?

Mr. GREEN: Oh, yes.

*By the Chairman:*

Q. It would not apply to World War II rather?—A. No. There would be a paragraph to cover the situation in regard to World War I and that is the intention of the bureau and the commission.



Mr. GREEN: Is this not a very radical departure from the practice of the commission in the past? Section 52, subsection (5) says:—

Upon request of an applicant for a second hearing, the commission shall notify the Veterans' Bureau accordingly; and the Veterans' Bureau shall thereupon prepare a summary of all available evidence relating to the claim and shall mail a copy of the same to the applicant, or as he may direct.

Then the applicant has to sign that summary of evidence to show that he is satisfied that everything is in there. That provision was made in 1936, after very careful consideration and in order to make certain that he knew that he had no further rights, that everything was in the summary of evidence. He signed it and he could not apply again in respect to anything for which he then claimed pension. The summary of evidence was really, as I remember it, the main feature in the whole procedure. I did not notice this change until to-day, to tell the truth; but now, in respect to World War II, under the amending section 52A which passed the other day without being gone into carefully at all, provision is made that the applicant may not be able to get that summary of evidence at all; and furthermore, that the person who is appearing for him may not be able to get that summary of evidence at all. Now Brigadier Topp's suggestion is that we go even further than that and say that the man the veteran of World War I, may not be able to get that summary of evidence at all. This is all based on the opinion of the expert on neuropsychiatric diseases. Apparently the reasoning is that it may do a man harm to see what the summary of evidence has to say about his disease.

Mr. CROLL: That is quite right.

Mr. GREEN: That is going a very long way. It may be right, but it is cutting into the rights of a veteran terribly, and it is cutting into the rights of whoever is acting or appearing for the veteran. How on earth am I, if I am going to appear for a veteran, to present his claim to the best advantage if I am not allowed to see this summary of evidence? It may be all right for men of the second war, although I doubt it even in that case; but certainly to come down now and clamp on a restriction of that kind against the man in World War I is very unwise, I think, and is going to make an awful lot of trouble. I would want a very full explanation of why this change is sought.

The CHAIRMAN: I wonder if we might hear from the Legion?

Mr. CLEAVER: Mr. Chairman, could the proposed amendment be redrafted so that we will withhold from the applicant the knowledge, but not withhold that knowledge from his representative? Is there any way in which his representative could receive the knowledge confidentially on the undertaking that he would not pass it on to the applicant and harm the applicant's health by passing it on? But I do think that the representative of the applicant should have full information. I have had several of these cases brought to my attention; and I concede at once the fact that to give the applicant the information in some of these confidential reports would be very harmful to the health of the applicant. On the other hand, I do think that the man who is appearing for the applicant should have full disclosure made to him so that he can properly present the case.

The CHAIRMAN: I wonder if we could hear from the Legion on this? I asked that they be here to hear this argument and make a submission to the committee.

**Mr. R. Hale, Chief Pension Officer, Canadian Legion of the B.E.S.L., called.**

The WITNESS: With regard to this proposal under section 5, the position of the Legion should be made very clear. By a process of trial and error we have come a long way with regard to the interpretation of the Pension Act; but certainly the Legion does not wish to go back to the business of having fixed interpretations made of sections of this Act which become a handicap and very binding. Perhaps I should explain this. The commission of to-day, with its power of interpreting the Act, gives a very fair and wise interpretation of most of its sections. We differ from them naturally when we feel that they have narrowed down their interpretation. But generally speaking, it is applied to the individual case in a very broad sense. In other words, you may take an individual case here and you are not hampered by some fixed interpretation as to what a certain section may mean. We would have no great objection to this proposal except for the word "shall" which is in there which rather implies that the chief pensions advocate will submit a stated case for interpretation on a section of the Act and the commission shall render a decision. That rather implies that it will be a binding decision. The Canadian Legion does not wish to be bound by any such procedure.

*By Mr. Green:*

Q. Even if the word "may" were put in there, and they rendered a decision, that would be equally binding, would it not?—A. Yes, it would.

*By the Chairman:*

Q. So you do not like the subsection?—A. It is rather mandatory to say that they shall, because that implies it shall be binding.

Q. Do I take it that you do not like the section at all?—A. No. We would rather see it eliminated.

*By Mr. Croll:*

Q. But they actually do it at present?—A. Yes; the commission will, on request.

Q. Yes, they do it; so it has not done any harm up to now?—A. No.

Q. And if the word "may" is put in instead of "shall", it should not do any harm.—A. But, Colonel Croll, you will appreciate that there is a vast difference between how these cases may be submitted to the commission. That is the point.

Q. Yes.—A. With regard to this neuropsychiatric question, that is exceedingly difficult. I must confess that, after many years' experience, there is need for using great discretion; but I am inclined to this view, that it is a very dangerous situation where even a specialist in mental diseases can say that this man is not competent to receive and understand a summary of evidence on which his future right to pension is based. I do agree with what was stated here by Mr. Cleaver. I think that is the solution. I think under all conditions and under all circumstances, that summary of evidence must be made available to the man's representative, no matter who he may be; and you must have confidence enough in him that he will use his discretion and not reveal to the applicant information which is detrimental to him. The Canadian Legion has tried, with much success and with a lot of heartache, I might say, to carry out such a practice. It is very difficult to have one of these cases, where the man knows you have a summary of evidence and you ask him to sign a statement, a declaration by him that he has seen a document which he has not seen. It is very difficult indeed. One suggestion I was going to make was

that there would have to be a different form for those cases. Even with a slightly impaired mentality, you cannot expect a case of that type to read that form literally and then ask him to sign on the dotted line and say he has seen a document which he has not had submitted to him.

*By Mr. Croll:*

Q. Where do you think the balance line is, where a man has cancer and you do not want him to know that, or has some other disease? Where is the balance line?—A. There it is a matter of individual judgment which the doctor has to exercise a great deal and which we, who undertake this work, also have to decide, as to the type of individual; whether or not you feel he can take it and not be detrimentally affected, or whether you feel—on the advice of his physician who says he should not be told—that he should not be told and you do not tell him.

Q. The physician is the last word on it?—A. The physician. But we differ sometimes on the neuropsychiatric cases.

Q. Yes.—A. There is room for a lot of argument in some of these cases. I would just conclude, gentlemen, by saying this, that so far as the Veterans' Bureau and the Canadian Legion are concerned, we work together very well. There is no great difference. We work complementary to each other. But they have their difficulty with this summary of evidence; and if the Canadian Legion happens to be a man's representative, it puts us in a very difficult position with regard to whether or not he shall see the summary. I could tell you some weird and wonderful stories of our experience with regard to those cases. Some of them, perhaps are almost as normal mentally as one could be; such a one can give you a very logical and reasoned argument that he is quite well aware that he has some form of neurosis or mental state, but he will deny emphatically that he is insane, and therefore feels that he should have the summary of evidence. Anyone who has handled those claims knows that there are different medical conditions which produce a certain medical state and there you are in a very difficult position.

*By Mr. Green:*

Q. How would you get along if you did not have a summary of evidence at all?—A. We insist that the advocate should have it. The man's representative is entitled to know exactly what is in that summary of evidence. Otherwise how can he conduct the case?

*By the Chairman:*

Q. He gets it now, does he not?—A. He does; but it can be withheld if the medical opinion is to that effect.

*By Mr. Green:*

Q. This amendment of 52A says it can be withheld from the applicant or his representative.—A. We would object to that.

*By the Chairman:*

Q. You would be satisfied if you struck out "either the applicant or his representative" and just said "can be withheld from the applicant"?—A. Yes. That would be all right. It leaves it in the discretion of the commission.

MR. GREEN: That is very difficult to administer.

THE CHAIRMAN: I know.

BRIGADIER MELVILLE: May I speak off the record for a minute?



The CHAIRMAN: Yes.

(Discussion off the record.)

The CHAIRMAN: Gentlemen, I see one of our members about to leave, and it is now 1 o'clock. I should like to make a suggestion.

Mr. CLEAVER: In these psychiatric cases, I do think we ought to be able to trust the pensions advocate; and I have a suggested amendment I should like to make, which is to amend subsection (9) to read as follows:

Where an applicant is suffering from a neuropsychiatric disease, it shall be a matter within the discretion of the pensions advocate whether he withholds from the applicant the summary of evidence leaving it entirely with the pensions advocate. These cases are extremely difficult. I know that because I have had one or two of them.

Brigadier MELVILLE: May I suggest the discretion be with the Veterans' Bureau, that would cover it.

Mr. CLEAVER: I am suggesting that it be left to the discretion of the pensions advocate whether he withholds that evidence from the applicant.

The CHAIRMAN: The Veterans' Bureau does say that it shall not be furnished to the applicant or his representative except with the approval of the commission.

Brigadier TOPP: It is the medical officer of the Department of Veterans Affairs in the district concerned.

Mr. GREEN: This had better stand.

The CHAIRMAN: What I was going to suggest was this. I was going to suggest that we adopt the amendment on the first page, about which there is no argument; that we leave this on the second page, whether it must or may render a decision, and let it stand; that we adopt page 3, about services rendered free; and that we let the suggestion on page 4 stand; and then, subject to those which we have excepted, get the proposed bill reprinted, because the only change will be in regard to these two items we have allowed to stand, and they can be easily added to the reprinted bill. And then is it your wish to follow the procedure that I think we decided we would follow, that we would then meet with the minister and have a conference as to what proposed changes that we have made will be acceptable? We will have that conference in camera and at the end of that conference we will go into open session and decide what report we will make to the House on this bill. If that is satisfactory to the committee, we can adjourn to take those proceedings on Thursday next and have the bill reprinted.

Mr. GREEN: Do you not think, Mr. Chairman, that it is wiser to finish this point before you do that? It has got to be discussed in open committee.

Mr. CLEAVER: I wonder if Brigadier Melville would bring in a recommendation based on the conclusions which he and Brigadier Topp arrived at after discussing it?

The CHAIRMAN: That would be all right. The reason I suggested that the bill be reprinted is that we would then have it in shape so that we could perhaps deal with this matter on Thursday. The two things that we have let stand now could be easily attached to the reprinted proposed bill, and it would include everything else except those two small items.

Some Hon. MEMBERS: Agreed.

Mr. GREEN: I think there is a mistake in Brigadier Topp's first section. He referred to the procedural section of the Act. I do not think there is any at all. I do not think that is properly describing the section, although it may be. But when he read that out, I doubted very much whether it was right. Could we not get a copy of his proposals before the next meeting?

The CHAIRMAN: What I had in mind was this. If we did not have the reprinted bill before us, we would not be able to conclude this on Thursday.

Mr. CROLL: We can say that we will have the bill reprinted, and let this stand.

The CHAIRMAN: May we not adopt this, subject to further amendment, so that we will have the bill before us?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: We can make small changes and they can be added.

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: May I take it that those two items that I have mentioned are excepted, and that we can carry the others and have the bill reprinted and discuss the matter at the next meeting?

Some Hon. MEMBERS: Agreed.

Mr. LENNARD: Mr. Chairman, will that eliminate discussion as to disability pensioners and so on?

The CHAIRMAN: It will eliminate no discussion at all.

The committee adjourned at 1.10 p.m. to meet again on Thursday, June 6, at 11 a.m.

## VETERANS OF FOREIGN WARS

## APPENDIX "A"

BRIEF SUBMITTED TO THE SPECIAL COMMITTEE VETERANS AFFAIRS, OTTAWA

*By G. B. Isnor, M.P. for Halifax, N.S.*

*War Service Grants Act:*

Amendment whereby, wife or children deserted, abandoned and those who have become wards of Municipal and Provincial Governments, shall receive part of the War Service Gratuity of the ex-service man.

*University and Vocational Training:*

Amendment whereby required training shall not be a charge against the re-establishment credit of any ex-service man.

*University and Vocational Allowance:*

Amendment whereby allowance for a single man shall be increased to \$75.00 for a single man and \$100.00 for a married man.

*Out of Work Benefits:*

Section (5) Rehabilitation Allowance should be amended, to enable Veterans to receive out of work benefits when unemployed due to strikes.

*War Veterans Allowance Act:*

Amendment whereby the income (maximum) permissible, including casual earnings and income from other sources be equivalent to a 100 per cent pension \$75.00 for a single man \$100.00 per month for a married man.

*Veterans Guard of Canada:*

To those with an honourable discharge who have served in (2) wars amendment to Dual Service Pension Act permitting an award of \$50.00 per month for a single man and \$75.00 per month for a married man for life.

*Housing:*

Amendment whereby the Veteran can purchase or build a home under the same conditions as if he was doing so under the Veterans Land Act, 1942. Regardless of acreage, other regulations to apply.

*War Assets:*

An Act to be known as The Surplus Property Act, whereby surplus government equipment shall be disposed of to Veterans where possible. Not exceeding \$2,500 re-establishment credit to be used or veteran can make a payment of 25 per cent the balance to be paid in monthly instalments over a period not to exceed 10 years.

*Loans:*

Amendment to the Industrial Development Bank Act, whereby veterans may obtain the necessary finance to enter small businesses. Not exceeding \$4,000.

*Preference to Civil Service in Canada:*

Adaptation of point system as contained in submission to the committee, by the Deputy Postmaster General, 3rd October, 1945.



*Veterans World War I:*

Hospitalization be extended to all veterans of World War I, who have served in the actual theatre of war, without the application of the means test.

Benefits of The Veterans Land Act, 1942, in respect to purchase of implements, tractors, cattle, furniture, chattels and repairs to buildings be extended to \$4,000.00. On payment of twenty per cent.

*Appointments to R.C.M.P. Civil Service:*

Appointments to this service should be British born, and during the future great care should be exercised in respect origin. It is noted the R.C.M.P. have many who are not of British strain or by birth.

*Conclusion:*

We believe the committee has rendered a very fine service to all veterans, and government legislation is commendable.

We of this association would remind the committee that great care must be exercised, whereby veteran legislation does not create a class war.

Those who have not served in the uniform, have also contributed to victory. This fact is sometimes overlooked by many veterans.

We would ask your committee to give some study with the object of recommending to parliament suitable awards to those thousands of civilians employed as: riveters, locomotive engineers, trackmen, farmers, fishermen, lumbermen and the labourers. None of whom have ever received proper recognition for their great contribution to victory.

We can take cognizance of treatment accorded the workers in Russia. (Not its system.) We could go further, and your committee would render a service never to be forgotten by the common people of Canada. By recommending to parliament it establish awards to artisans, farmers and fishermen who excel in the field of their endeavour. This of course would apply to others engaged in the life of this country.

We do not know of a better committee to or a more able one to deliberate and to make recommendations to parliament.







Doc  
an  
com  
AI  
XC2  
45V21  
Canada - Veterans Affairs, Special Committee, 1946

SESSION 1946  
HOUSE OF COMMONS

THE HOUSE OF COMMONS  
JUN 10 1946  
12 PM  
Montreal P.M.

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 28

THURSDAY, JUNE 6, 1946

## WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the  
Chairman, Canadian Pension Commission;  
Mr. C. B. Topp, Chief Pensions' Advocate;  
Mr. W. S. Woods, Deputy Minister of Veterans Affairs.

LIBRARY  
JUN 10 1946  
UNIVERSITY OF TORONTO

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946



## MINUTES OF PROCEEDINGS

THURSDAY, June 6, 1946.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Abbott, Adamson, Ashby, Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Bridges, Brooks, Claxton, Cleaver, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Emmerson, Fulton, Gauthier (*Portneuf*), Gibson (*Hamilton West*), Green, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Marshall, Mackenzie, MacNaught, Mitchell, Mutch, Pearkes, Quelch, Ross (*Souris*), Sinclair (*Vancouver North*), Tremblay, Tucker, Viau, White (*Hastings-Peterborough*), Whitman, Winkler, Winters.

*In attendance:* Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission; Mr. C. B. Topp, Chief Pensions' Advocate; Mr. W. S. Woods, Deputy Minister of Veterans Affairs.

Consideration of the draft of the proposed bill to amend the Pension Act was continued.

Mr. Topp was recalled, heard and questioned.

Mr. Melville was recalled and questioned.

The draft of the proposed bill was amended by the addition of the following as clause twenty-nine:

29. Subsection five of section fifty-two of the said Act is amended by adding thereto the following:—

provided, however, that where the applicant is suffering from a neuropsychiatric disease it shall be within the discretion of the Chief Pensions' Advocate whether the summary of evidence be furnished to the applicant.

Mr. Sinclair moved that the proposed bill be further amended by the addition of the following clause:—

Subsection one of section fourteen of the said Act is amended by adding thereto the following:—

provided that where such a member returns to combat duty after incurring an injury for which he is pensionable and attains higher rank, he shall be awarded a pension in accordance with such higher rank or acting rank for which he was being paid pay and allowances at the time of his final retirement from combat duty.

After discussion, it was agreed that consideration of Mr. Sinclair's motion be deferred until the next meeting.

By order of the Committee, strangers were requested to withdraw and the Committee continued to sit in camera.

At 1.15 o'clock p.m. the Committee adjourned until Friday, June 7, at 11 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 6, 1946

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: There has been distributed the reprint of the proposed revised draft bill. There has been included in it the two sections that were permitted to stand because I understand that the chief pensions advocate and the Legion consulted with the pension commission and that they came to unanimous agreement on those clauses. Of course, they have been put in there just for convenience and subject to the approval of the committee. Perhaps it would be a good thing just to dispose of those two items first of all. Have you that in available form, Brigadier Melville?

Brigadier J. L. MELVILLE: Mr. Chairman, I suggest that maybe the chief pensions advocate would make the explanatory remarks, as he introduced the recommendation.

The CHAIRMAN: Very well. Would you do that, Brigadier Topp, please?

Brigadier C. B. TOPP: Mr. Chairman and gentlemen, there were two items in the submission made by the Veterans' Bureau which were allowed to stand over at the last meeting and which, as the chairman has stated, were subsequently discussed between the Canadian Legion, the commission and the chief pensions advocate. The first of those items was the suggestion that an amendment be made to section 5 of the Pension Act, which is the section having to do with interpretation of the Pension Act. It was our unanimous opinion that little was to be gained by pressing that suggestion. So, in so far as the representatives I have mentioned are concerned, we felt that no amendment to section 5 was necessary. I might add that in putting forward a suggestion that provision be made by way of approach by the Veterans' Bureau to the commission on questions of interpretation, we merely sought to legalize, shall I say, the practice which was being carried on. The chairman of the commission assured us that we were quite at liberty to make such representations as we saw fit on questions of interpretation, and that those would be dealt with by the commission. I accept that assurance without question and am quite satisfied, speaking as a representative of ex-service personnel applying for pension, that their interests are quite adequately covered by that undertaking.

The second point, Mr. Chairman—

The CHAIRMAN: Just while we are on that, I want to make sure the committee is aware of the section the brigadier is referring to. The section is this. It is the one that proposes an amendment as follows: "The chief pensions advocate may make representations to the commission upon any question of interpretation and the commission shall render a decision thereon." The attitude of the Legion was that that might lead to rigidity in the Act and it would be much better not to have them under an obligation of any sort to render a decision on an abstract principle which might bind them in future cases. I understand that Brigadier Topp, after considering the whole matter, is quite prepared to withdraw that suggested amendment.

Mr. GREEN: That is to section 5?

The CHAIRMAN: Yes. So may we take it that is dropped?

Some hon. MEMBERS: Dropped.

The CHAIRMAN: Then that is dropped. Would you proceed then, Brigadier Topp?

Brigadier TOPP: The second matter which we were directed by the committee to consider, Mr. Chairman and gentlemen, was an amendment to section 52 of the Pension Act having to do with the issue of summaries of evidence to applicants for pension. That amendment will be found on page 13 of the new draft bill which is before the committee this morning, right at the bottom of the page. The explanation of the purpose of this amendment is as follows:

Departmental files on former members of the forces contain highly personal and confidential information relating to the individual. In mental and nervous cases disclosure of medical details might gravely worsen the condition. For this reason the department from the outset of its work has sought to fully protect the interest of the veteran by strictly preserving the confidential nature of these records.

In 1936 extensive new procedure for the determination of pension claims was enacted upon recommendation of a parliamentary committee of that year. This procedure included a provision in section 52(5) that a summary of evidence should be sent to the applicant. In the administration of this provision all concerned continued the policy of protecting the interest of the veteran and in certain cases in the neuropsychiatric group this summary was not issued to the applicant personally.

Prior to the passage of P.C. 9553 the practice of withholding the summary of evidence in certain neuropsychiatric cases was a matter of administrative procedure. Under the terms of this order in council—which, I might say, was the order in council covering the procedure to be followed in dealing with applications for pension from World War II veterans—power was vested in the Canadian Pension Commission to determine whether a summary should be issued in this type of case. The provision was repeated in the draft bill, together with the other provisions of P.C. 9553.

Upon consultation between the commission, the Canadian Legion and the chief pensions advocate it was agreed that this authority could be more effectively applied through the Veterans' Bureau since the local authorities are in a much better position to make a decision in the light of all the relevant circumstances than is a central authority in Ottawa. The effect of the proposed amendments to these two sections restores the practice which was in effect prior to the passage of P.C. 9553 and clothes it with statutory authority.

The CHAIRMAN: Would you like to say something about that, Brigadier Melville?

Brigadier MELVILLE: Yes. The situation has been very clearly expressed by Brigadier Topp. The commission is definitely satisfied that the proposal as advanced now is to the very best interests of the veteran. In other words, instead of the commission determining whether or not the summary shall be supplied, that now lies with the chief pensions advocate. Suppose "A" is an applicant for pension and is suffering from mental disease and "B" is his advocate, the bureau, the veterans' organization or maybe an outside lawyer. The chief pensions advocate is now in a position to say, "It would not be in the interests of 'A'; in fact it would be highly dangerous if the summary were furnished to him, but we have no objection to furnishing that summary to his representative." That I think is fair and definitely to the best interest of the applicant.

Mr. GREEN: Mr. Chairman, if the section read that way, it might not be so bad. But it does not refer at all to the representative of the applicant for pension. It simply says, "It shall be within the discretion of the chief pensions advocate whether the summary of evidence be furnished to the applicant." I understood the opinion of the committee the other day to be that it must be given to his representative, but need not necessarily be given to the applicant



himself. I think that the section should be changed accordingly. Frankly, I am very doubtful whether it is now wise to make this change in respect of men of the first war. Apparently, this practice has been followed with men of the second war, and one cannot object to it so much. But this was one of the key points we settled in 1936. The summary of evidence was the whole basis for the man's claim. He had to sign that summary of evidence to show that he was satisfied that all the facts were there. That was the basis of his whole claim. Now we come along, 27 years after the war, and say that it is apt to be very detrimental to him in certain cases if he is given that summary of evidence. I do not think that would arise in very many cases of men of the first war; I doubt if it arises in any cases. For that reason I suggest that we give a little more consideration to it before we put that restriction in on men of the first war. This is the sort of restriction that could make for a lot of misunderstanding and make a lot of trouble. Then again, it might be misused. There might be a case where a representative is not persona grata with the commission, because some representatives do cause them trouble; there is no doubt about that. It might be said that it is not in the interests of the man that he be given his summary. I am not pressing that one way or another. But I do suggest in the first place that we should provide that the man's representative should get the summary of evidence in every case and I suggest that we give consideration to not making this provision apply to men of the first war.

Mr. Mutch: Mr. Chairman, so far as Mr. Green's first contention is concerned, that it should be definitely provided that the summary of evidence be made available to the man's agent, I think that definitely should be done. But I think he is arguing against his own contention with respect to the second case. I agree with him entirely that there is a very limited possibility of this applying to any considerable number of veterans and therefore I think the danger of its being an embarrassment to anybody is thereby lessened. But if it is established in practice—and it is—that it is to the benefit of the man himself that certain disclosures should not be made to him in the case of the second war, I do not think we ought, for the very opposite of the same argument, to deprive the man of the first war from that benefit, if it is a benefit. Frankly, I do not think it is important beyond this, that I do think it should be abundantly clear that the man's representative should be entitled to get the statement.

Mr. Cleaver: Mr. Chairman, the committee did discuss this matter at quite some length the other day, and the understanding that I gathered from the discussion was that we all agreed that, in neuropsychiatric cases, someone had to be in a position to exercise discretion to see that releases were not made to the applicant which would be harmful to him. I think it was also pretty well agreed that releases should not be made to what I might call irresponsible representatives of veterans who would in turn promptly pass on this information to the veteran. While I do not like the idea of withholding the evidence from the applicant or his representative—I concede at once that in this small isolated group that will only affect a few cases—I believe that someone must have the discretion; and I do not think that we can pick a safer individual to exercise that discretion than the pensions advocate. In so far as I am concerned, I am content with the amendment as it stands now. It is in quite different form than that in which we had it the other day.

The Chairman: There is only one thought about this that I had in mind and perhaps it could be cleared up by somebody. The section says that a summary of all available evidence relating to the claim is to be prepared and the Veterans' Bureau shall mail a copy of the same to the applicant or to such representative as he may direct. We will assume that he directs it to be sent to somebody that he knows he can get it from. Then the amendment says, "provided, however, that where the applicant is suffering from neuropsychiatric disease, it shall be

within the discretion of the chief pensions advocate whether the summary of evidence be furnished to the applicant." That restricts his jurisdiction only to whether it goes to the applicant or not, and makes it mandatory, as I understand it, on the pensions advocate to send it as he may direct. It seems to me you have left the thing exactly where it was before; because if he wants to get the evidence, he can see that it is directed to somebody from whom he can get it. You have only direct control over the situation as to whether it goes to him himself or not. It seems to me your amendment leaves it where it was before.

Mr. GREEN: If that is the interpretation of the amendment, then it is exactly as he wished it to be.

Mr. MUTCH: Yes; that is what we asked for.

The CHAIRMAN: It leaves it so that he could have it sent to his own region office and there could be no interference with that; I think that is a fair interpretation. But it does not carry him much further.

Mr. GREEN: That is what we wanted at the last meeting.

Mr. CROLL: No, that is what we did not want.

Mr. GREEN: That is the point; it may be given to his representative.

Mr. CROLL: As it is now, if I read that section aright, it goes to the advocate and then he may again have it sent to you or to me and we in turn hand it back to him. It is only the applicant it may not be furnished to.

Mr. MUTCH: You are in the hands of the agent of the man.

Mr. CROLL: Yes.

Mr. MUTCH: I do not think you can avoid that without a positive restriction.

Mr. CLEAVER: Perhaps Brigadier Melville can clear that up.

Brigadier MELVILLE: This summary is prepared by the Veterans' Bureau. In dealing with claims arising out of World War I, if you refer to the preceding section 52(4) you will see that "a summary of all available evidence relating to his claim will be mailed to him or to such representative as he may direct." All this amendment has done is to meet the wishes of the committee, so that when he is within this neuropsychiatric class you definitely do not send it to him direct if you feel it would do harm; but you may send it to his representative. You will say to that representative, "This summary will not be furnished to your client because, on account of his mental condition, we are definitely of the opinion that such would not be to his best interests." Therefore we are carrying out the expressed desire of this committee, I am quite sure, by the amendment.

Mr. QUELCH: I should like to ask a question as to whether now, under this amendment, the applicant's representative would have the right to see the summary of evidence.

The CHAIRMAN: Yes, absolutely.

Mr. QUELCH: Or whether he could be refused.

The CHAIRMAN: He could not be refused. The Act now reads in this way:

Upon request of an applicant for an appeal board hearing the commission shall notify the Veterans' Bureau accordingly and the Veterans' Bureau shall thereupon prepare a summary of all available evidence relating to the claim and shall mail a copy of the same to the applicant or to such representative as he may direct.

It is absolutely mandatory. Then it provides that it may be withheld from the applicant himself. The mandatory part would still apply to his agent. The way it is worded now, in law they would have no discretion. Of course, the commission again is the absolute judge.



Mr. QUELCH: I notice that Brigadier Melville, when he spoke, did not use "shall". He said "may". I know those two words are sometimes interchangeable. I was wondering whether in this case, he was using the word "may" for any reason rather than "shall".

Brigadier MELVILLE: There is no difference. May I speak off the record? (Remarks off the record.)

Mr. GREEN: Your present plan is working out all right with regard to men from the first war, is it not?

Brigadier MELVILLE: At the present time?

Mr. Mutch: Without this amendment.

Brigadier MELVILLE: Yes.

Mr. Mutch: Then it has not changed. Let it carry on and get on with the matter.

Carried.

The CHAIRMAN: Now, gentlemen, that disposes of Brigadier Topp's suggestion, does it not?

Brigadier TOPP: That, Mr. Chairman, entirely disposes of the suggestions I brought before the committee.

The CHAIRMAN: Thank you very much. Now, gentlemen, you remember that we had a discussion about what our procedure would be, and I was looking over our proceedings of Friday, May 24, having specific reference to the fire-fighters and supervisors; but I think the intention of the committee was that it should apply to all our procedure: that is, that we would draft our proposals—in this matter I am in the hands of the committee as to whether this was our decision—and then the minister would be here and would deal with the proposals which he had not already agreed to as a minister of the Crown and advise the committee to what extent he is going to accept such proposals; and that would be done in camera. The understanding was that we would discuss these matters in camera and then we would go back into open session to decide on the actual form of the bill we would report. Now, I think that was the definite understanding of the committee, and if there is no objection I suggest that we go into camera session now to consider this proposed bill and have the minister state what he is ready to accept and what not on behalf of the government.

Mr. SINCLAIR: Does that mean that this discussion will be closed until we hear what the government will or will not accept; then it will be a matter of passing what we have already discussed? May I say that yesterday I had a small delegation of air force boys come to see me in connection with section 14(1) of the Pension Act to which no amendment has as yet been made, and which reads:—

A pension shall be awarded to or in respect of a member of the forces in accordance with the rank or acting rank for which he was being paid pay and allowances, at the time of the appearance of the injury or disease for which he is pensioned or the appearance of the injury or disease which resulted in his death.

I think most of us will agree that it is a very sensible provision because otherwise a man might get headquarters to advance him as they do, however, unfortunately with militia pensions. We have all seen major generals being retired and we have seen an air marshal advanced to air chief marshal on retirement at needless cost to the taxpayer.

Hon. Mr. GIBSON: I should like to correct the statement that has just been made by Mr. Sinclair; no air force officers have received higher pensions on account of promotions in rank on retirement. I know of only one case in



which promotion was given on retirement, that of Air Marshal Breadner, who was given the rank of air chief marshal when he retired, but his pension was based on his rank in the service as air marshal, not as an air chief marshal.

Mr. SINCLAIR: I will withdraw that statement; but you will admit that such promotions on retirement have happened in the army.

Some Hon. MEMBERS: Hear, hear.

Hon. Mr. GIBSON: This is the only one I can think of and that is a nominal rank given to him on retirement in that one case.

Mr. SINCLAIR: Have you never seen cases like that as far as the army is concerned?

Hon. Mr. GIBSON: No.

Mr. CRUICKSHANK: The minister's statement is not correct.

Mr. SINCLAIR: I am talking about disabilities to veterans. I will give you the cases of three men. One was a pilot officer who was shot down at Malta and was badly burned, he could scarcely stand. After he was in hospital he returned to operations. I agree that such a thing is not done in the army where a man has to have full possession of his faculties, but a Spitfire pilot would be able to sit in a seat and use his arms or his legs. However, he returned and did a second tour of operations and finally was retired at the rank of flight lieutenant but his pension is paid to him for the rank of flying officer.

The second chap was a sergeant pilot and he was shot down and suffered a broken back. After a year and a half he had the guts to return and he made two distinct tours of operation. That was long after he had received pensionable injury. There is a great difference between the pension paid to the sergeant pilot and that paid to a flight lieutenant on retirement.

The third case is that of a man who had done two tours of operation and was shot down over Ostend. He bailed out and released his parachute too high above the water and he hit the water too hard, and he has been going progressively blind since that time. He had the courage and the shrewdness to disguise this condition from the air officers, and he too did another tour of operation. He has reached the rank of group captain and is to be retired on pension. I submit that in cases where these men did return to active combat duty they should be pensioned off not at the rank at which they first received the pensionable injury but at the rank at which they finally carried out their combat duty.

I am moving an amendment to section 14(1) in these words:—

Provided that where such a member returns to combat duty after incurring an injury for which he is pensionable, and attains higher rank, he shall be awarded a pension in accordance with such higher rank or acting rank for which he was being paid pay and allowances at the time of his final retirement from combat duty.

Mr. GREEN: You mean his higher rank?

Mr. SINCLAIR: Yes.

Mr. GREEN: You have not said so.

Mr. ROSS: These lawyers are of some use sometimes.

Mr. GREEN: That is more than I can say for some others.

Mr. CLEAVER: Subsection (2) covers that. I do not think you need cover that further. "No variation of rank after the appearance of the disability shall affect any pension."

Mr. CROLL: That is what we are trying to overcome.

Mr. CRUICKSHANK: I never saw two lawyers agree yet.

Mr. GREEN: Listen. You are getting some free legal advice.

Mr. MUTCH: It may be free but we paid plenty for it.

The CHAIRMAN: Perhaps while this matter is being figured out we can start with our camera session and we can consider this amendment after we come out of camera session.

Mr. QUELCH: You mentioned the firefighters. That matter, I believe, was referred to the subcommittee on civil pensions. Have they reported back?

The CHAIRMAN: Not yet.

Mr. QUELCH: We shall not deal with that until they report back.

The CHAIRMAN: The only reason I mention this is that I understood that was the procedure, and there was a motion that we follow that line of procedure. Is that carried?

Mr. GREEN: Before you do that—

Mr. MUTCH: With respect to the point Mr. Green is labouring under, we will go back into open session and further amendments are possible after that.

Mr. QUELCH: Then we shall have to go back into camera to deal with those amendments.

Mr. MUTCH: The minister is here. We shall know whether he is in favour of them or not.

The CHAIRMAN: The amendment is:—

Provided that where such a member returns to combat duty after incurring an injury for which he is pensionable and attains higher rank, he shall be awarded a pension in accordance with such higher rank or acting rank for which he was being paid pay and allowances at the time of his final retirement from combat duty.

Mr. CROLL: Would it not be better to say "duty" rather than to use the word "combat" duty?

Mr. SINCLAIR: Chaps who have lost legs or arms could do administrative jobs.

Mr. CROLL: I am trying to avoid the man who came in as an adjutant and sat back and was hurt again maybe when he was not on combat duty.

Mr. SINCLAIR: He would not be.

Mr. CROLL: I am trying to cover the army.

Mr. SINCLAIR: There would be very few cases of that kind in the line in the army.

Mr. CROLL: They may have been hurt; let us cover all.

The CHAIRMAN: There are lots of cases in the army where a man gets injured and goes back into the line.

Mr. SINCLAIR: Pensionable injuries?

The CHAIRMAN: Yes. I suggest, gentlemen that this is such a complicated question that it be left to the Pension Commission to study the proposed amendment, or work out a possible suggestion anyway. It would be a good thing, perhaps, if we did get through with this matter today that we could have it reported today. We will now go into camera session.

Mr. GREEN: Before the committee goes into camera I should like to find out exactly what the plan is. It was my understanding the other day that when we had gone over the terms of the draft bill then we would go into camera and hold a pow-wow with the minister in an attempt to reach unanimity. Well, there is no intention of moving motions or anything of that kind while we are in camera, is there?

The CHAIRMAN: No.

Mr. GREEN: Is that correct?

The CHAIRMAN: We will find out. As I understand it, we will listen to the position of the government and try to reach an agreement with regard to these matters.

Mr. CRUICKSHANK: What is the final disposition of Mr. Sinclair's amendment?

Mr. CROLL: Mr. Green and Mr. Sinclair are drafting something which will be ready for us a little later.

The CHAIRMAN: After we have discussed all these matters, then I presume that the motions that will be made arising out of our discussion in camera will go on the record, and I presume the discussions having to do with these motions would properly go on the record too. I think that was the understanding, and we will go into camera session now.

(The committee went into camera session and closed its meeting still in camera.)

The committee adjourned to meet on Friday, June 7, 1946, at 11 o'clock a.m.













Doc  
an  
on  
A1  
XC2  
45021

Canada, Veterans Affairs  
Special Committee, 1946

SESSION 1946  
(HOUSE OF COMMONS)

(SPECIAL COMMITTEE)

(ON)

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 29

FRIDAY, JUNE 7, 1946

WITNESS:

Mr. J. L. Melville, Chairman, Canadian Pension Commission.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1946







## MINUTES OF PROCEEDINGS

FRIDAY, June 7, 1946.

The Special Committee on Veterans Affairs met in camera at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs. Abbott, Adamson, Archibald, Ashby, Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Bridges, Brooks, Cockeram, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Fulton, Gibson (*Hamilton West*), Gillis, Green, Harkness, Herridge, Isnor, Jutras, Langlois, Lapointe, Marshall, Mackenzie, MacNaught, Merriitt, Mitchell, Moore, Mutch, Pearkes, Quelch, Sinclair (*Vancouver N.*), Skey, Tremblay, Tucker, Viau, Whitman, Winkler, Winters.

*In attendance:* Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant to the Chairman, Canadian Pension Commission; Mr. C. B. Topp, Chief Pensions' Advocate; Mr. W. S. Woods, Deputy Minister of Veterans Affairs.

The Chairman informed the Committee that the Steering Committee had met the previous evening at 9.30 and had discussed certain contentious clauses in the revised draft of the proposed bill to amend the Pension Act.

By leave of the Committee, Mr. Sinclair withdrew his motion that the proposed bill be further amended by the addition of the following clause:—

Subsection one of section fourteen of the said Act is amended by adding thereto the following:—

Provided that where such a member returns to combat duty after incurring an injury for which he is pensionable and attains higher rank, he shall be awarded a pension in accordance with such higher rank or acting rank for which he was being paid pay and allowances at the time of his final retirement from combat duty.

On motion of Mr. Cruickshank, the meeting was opened to the public.

Mr. Melville was recalled and questioned.

Mr. Green moved that the revised draft of the proposed bill to amend the Pension Act be adopted, that the Chairman be ordered to report the said draft bill to the House, and that a copy of the minutes of proceedings and evidence of the Committee to date be appended to the report.

Mr. Mutch moved in amendment that clause nine of the draft of the proposed bill be amended by the addition of the words *was wilfully and deliberately concealed* in line 16 thereof.

After discussion, and the question having been put on the amendment, it was resolved in the affirmative.

Mr. Mutch moved in further amendment that clause thirty-one of the draft of the proposed bill be deleted and the following substituted therefor:—

31. Section sixty-two of the said Act, as enacted by section fourteen of chapter thirty-five of the statutes of 1930 is repealed and the following substituted therefor:—

62. Notwithstanding anything in this Act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

After discussion, and the question having been put on the amendment, it was resolved in the negative.

Mr. Winters moved in amendment that clause fifteen of the proposed draft bill be amended by the addition of the words *and further provided that in cases in which the pensioner in question is pensioned in respect of World War I, such children were born prior to the first day of May, 1944*, immediately after the word *children* in line 12 thereof; and by the addition of the words *and further provided that, in cases in which the widow in question was in receipt of pension in respect of service during World War I, such children were born prior to the first day of May, 1944*, immediately after the word *apply* in line 21 thereof;

That sub-clause two of clause twenty be amended by the addition of the words *she was married to him prior to the first day of May, 1944*, and immediately after the word *if* in line eleven thereof;

That clause twenty-two be amended by the addition of the words *if she was married to him prior to the first day of May 1944* and immediately after the word *pension* in line 9 thereof, and

That clause thirty-two be deleted and the following substituted therefor:—

32. Section sixty-seven of the said Act, as enacted by section twenty-two of chapter twenty-three of the statutes of 1940-41, is repealed and the following substituted therefor:—

67. Notwithstanding anything contained in this or any other Act, no pension or additional pension, awardable or payable under the provisions of this Act, shall be awarded or paid,

- (a) in respect of service during World War I, under Schedule A or Schedule B to this Act, to or in respect of any child of a member of the forces or pensioner if such child shall have been born on or after the first day of May, 1944;
- (b) in respect of service during World War I, under Schedule A to this Act, to or in respect of the wife of a member of the forces or pensioner, if she shall have been married to him on or after the date aforementioned, unless there is a minor child or there are minor children of the pensioner of pensionable age born of a previous marriage prior to the said date and the said wife assumes the household duties and care of such child or children, when additional pension for a married member of the forces may, in the discretion of the Commission, be awarded or paid during the time such child or children are of pensionable age.

After discussion and the question having been put on the amendment it was resolved in the affirmative.

The question having been put on Mr. Green's motion, as amended, it was resolved in the affirmative.

Mr. Melville retired.

On motion of Mr. Gillis, it was resolved that the Committee recommend that if a bill to amend the Pension Act be introduced in the House and given second reading it be not referred to the Committee.

The Chairman tabled a draft of a proposed bill respecting Allowances for War Veterans and Dependents, copies of which were ordered to be distributed to members of the Committee.

At 1.00 o'clock p.m., the Committee adjourned until Tuesday, June 11, at 11.00 o'clock a.m.

A. L. BURGESS,  
Clerk of the Committee.

## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 7, 1946.

The Special Committee on Veterans Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, we are now considering the terms of our report to the House on the pension bill. We have before us the results of our deliberations to date in a revised draft of a proposed bill which is now before the committee. Have I any motion in regard to this matter?

Some hon. MEMBERS: Carried.

Mr. GREEN: Mr. Chairman, I would move that this draft bill which has been gone over by the committee section by section, and each section has been duly approved, be reported to the House as the recommendation of this committee; and that with the draft bill there be reported all the proceedings to date, so that everything will be before the House when the bill comes in.

Mr. QUELCH: I will second the motion.

Mr. MUTCH: Mr. Chairman, I move seconded by Mr. Winters, that clause (9) relating to paragraph (c) of subsection (1) of section 11 of the Pension Act be amended by adding after the word "forces" in the second last line the words "wilfully and deliberately concealed."

Mr. QUELCH: Is that an amendment to Mr. Green's motion?

Mr. MUTCH: Yes.

Mr. BROOKS: Mr. Chairman, at this stage I wish to raise the point of order that I raised a few moments ago. As we all know, for the past two or three weeks we have been considering a draft bill. There has been considerable debate on all the sections and at times we have had to take votes. We have voted and passed different sections; and the draft bill as we have it today is the result of the considered opinion of this committee during the past few weeks. I do not see how we, after making certain motions and passing them before the committee, can turn around and bring in other motions to do away with what we have already done. I think this draft bill represents what was voted on and decided on; members spoke on it and gave their opinions. They voted on it and the thing was definitely determined. Under parliamentary procedure I feel we must be bound by what we have already done. Otherwise our work in the past is of no benefit at all.

Mr. MUTCH: Mr. Chairman, I wish to speak to the point of order. This is not a draft bill. Draft bills are brought before a committee after having been authorized by council; in the ordinary course of events they are introduced in the House and referred to this committee. Perhaps it is unfortunate that the language "draft of a proposed bill" is used; but in point of fact this is a printed report of the day to day decisions of this committee presented in the form in which it would appear if it were properly a draft bill. Draft bills do not originate in committees on their own, but on report. If this committee in its wisdom and for the convenience of committee members has adopted the form of a bill, that is incidental to the fact that this is in truth a report of a committee and, as such, is amendable by the committee at any stage of the proceedings.



Mr. GREEN: Mr. Chairman, speaking on this point of order, may I say that Mr. Mutch is not, I think, quite correct in his description of what this bill is. He says a draft bill is one that is brought in by the government. Actually this draft bill amending the Pension Act was just brought into this committee in exactly the same way that draft bills were brought in last year to deal with certain Acts. I forget the title of the Acts, but there were two or three Acts. Draft bills were submitted not by the government but by the Department of Veterans' Affairs. In each case those draft bills were reviewed by this committee. Changes were made in the course of the sittings of the committee, and then in our report to the House we included the draft bill as we had revised it. My motion today is to do that in this case. We have revised this draft Pension Act. I suggest that we should carry on just as we did last year. To do otherwise means, in effect, that where a section has been approved and is not acceptable to the government, then it is to be voted on a second time; and if the government are able to vote it down on that second vote, then it goes out of the draft bill. That is an entirely new procedure. It is not what we did last year at all. It is unfair to those who want to argue in the House that the terms in the bill should be in conformity with what was approved by the committee. I submit that Mr. Mutch's amendment is not, in effect, an amendment to the motion.

Mr. MUTCH: It is an amendment to the report.

The CHAIRMAN: The motion was made by Mr. Green—

Mr. BAKER: Mr. Chairman, I think we all can change our minds if we want to. Otherwise, what have we been doing here for this past day or two? I understood the idea of meeting in camera was so that we could have a frank discussion. Then I understood that we would go into open session again, go on the record and that everybody could say what he liked. I thought that was the whole idea of bringing this procedure into effect and spending these two days; and that after we heard how far the government could go, after we had heard what compromise they would make, we would again vote. Otherwise I do not see why we are here. I think everybody has the right at this meeting to change his mind. I have obtained a certain amount of knowledge as a result of yesterday's and today's meetings. I think nobody is hide-bound to necessarily agree even with what he originally stated. I think that is the whole purpose of the meeting.

The CHAIRMAN: Gentlemen, I have a motion moved by Mr. Green that the revised draft of the proposed bill to amend the Pension Act be reported to the House as the recommendation of the committee and that the minutes and proceedings of the committee to date be annexed thereto. It has been moved by Mr. Mutch in amendment to that motion, that the draft bill be not reported in its present form but that there be inserted after the word "forces" on page 4 of the proposed draft bill the words "was wilfully and deliberately concealed." I do not see any reason in the world why this committee cannot now decide the form in which its report is going to be made to parliament; and I have no hesitation in ruling that the amendment is quite in order. Otherwise all the work we have done in debate and all the talk about this thing for the last two or three days would be simply so much waste time; that is if we were bound by the decision we made two or three weeks ago.

Mr. BROOKS: I should like to have your ruling on the point of order, Mr. Chairman.

The CHAIRMAN: I say that I rule the amendment is in order.

Mr. QUELCH: Mr. Chairman, personally I do not take any exception to the procedure because I think this is the procedure that was agreed to, namely that we would deal with the draft of a proposed bill in open session, section by section, as we did; that we would then meet in camera and hear from the minister as to how far the government proposed to go, and after that we would come back

in open committee and deal with the proposals of the minister. The steering committee, as you know, met last night and we did our very best to reach a compromise with the minister on certain points. I think most of us agree that we would give way on all points except on the points regarding the deadline. Unfortunately we have not been able to reach any compromise on that question with the result that I find myself in the position of having to oppose all the objections of the minister. Had the minister been prepared to compromise in any degree on the deadline, I would have been quite prepared to support the minister's objection in regard to "wilfully concealed", the presumption clause, and even so far perhaps as the widows and wives are concerned if only the government had agreed to drop the deadline in regard to the children, or at least had agreed to put a clause in the Act stating that that deadline would not affect the children of veterans who were in necessitous circumstances.

The CHAIRMAN: I have ruled that the amendment is in order.

Mr. CRUICKSHANK: Question.

The CHAIRMAN: Is the amendment carried?

Some Hon. MEMBERS: No.

Mr. MERRITT: Mr. Chairman, I do not understand this procedure at all; that may be because I was not here yesterday, but I do not think it is. I cannot understand why, when the committee has voted on these various points—

The CHAIRMAN: I have ruled, Mr. Merritt, on the question.

Mr. MERRITT: I am not speaking to the question of order, Mr. Chairman.

The CHAIRMAN: Oh, I see.

Mr. MERRITT: I am speaking on the amendment. When the situation is that the committee has dealt with these various sections and has introduced into these sections the three changes which are in issue I cannot understand why the committee should be asked to vote again and to nullify its recorded decision simply because the minister is unable to accept those changes. I can well understand that the minister might find himself in the position where he cannot accept those alterations. The minister, as he has stated himself, has the ultimate responsibility; and it may be that the cost of those changes is more readily calculable by him than by the committee. But if that is a reasonable divergence of view between the administration and the committee, then I see no particular reason why that should not be clearly stated and I see no reason why the administration cannot introduce into the House whatever bill they like. If it is at variance with the committee's report, what of it? But under the present procedure it seems to me that I am simply being asked, by taking part in this vote, to consent to a change to which I do not consent. Why not just let it go in the open? What is the particular advantage of obtaining unanimity when there is no unanimity? Why not leave it right in the open as it is and bring in your bill any way you like to bring it in. That is certainly the way I should like to see it done. I would not respect the minister less for disagreeing with the committee at all. In fact, I would feel that such would be the proper course for the minister to take, rather than asking me to impliedly consent to recede from a position which the committee has gained and which I think it should have gained.

The CHAIRMAN: Is the amendment carried?

Some Hon. MEMBERS: No.

Mr. PEARKES: No.

The CHAIRMAN: There is no suggestion that it is carried unanimously. If you want a show of hands, it is quite all right.

Mr. PEARKES: We have sat here all during this session going over these various paragraphs very carefully. We reached a decision of the committee and then that was placed before the Minister of Veterans Affairs. He asked for a



compromise; he asked us to see whether or not we could get together. An effort was made to get together. As Mr. Quelch has said, representatives in this committee went a very long way in order to meet the minister's wishes. We have fallen down on one point regarding the deadline as far as children are concerned; and we have fallen down in that respect only because the minister is unwilling, or perhaps I should say, Mr. Chairman, because you are unwilling, to have introduced into this bill a paragraph saying that pensions may be given at the discretion of the minister in necessitous cases as far as children are concerned.

Mr. SINCLAIR: At the discretion of the pension commission.

Mr. PEARKES: All right; at the discretion of the pension commission, if you like. Now we are being asked to review once again all the work that we did during this session just because we have not come to a compromise or have not been able to reach a compromise. It is not a question of just one amendment. There will be amendments brought up on every single section that has been passed. If we do not accept Mr. Green's motion, we are going to be here for days and days and days on this question on each of these little amendments. We have not the time to do that. I shall vote against the amendment proposed by Mr. Mutch.

The CHAIRMAN: Gentlemen, you have heard the amendment.

Mr. BENIDICKSON: Mr. Chairman, I feel that we are being put in a very wrong position here. I thought the purpose of hearing from the minister was in the hope that we might go back and reach some compromise. A compromise was certainly not reached, on all of the three matters that the subcommittee was discussing last night. I think that this committee is in substantial agreement on the one point that we are discussing now on Mr. Mutch's motion, and that is why I think it is unfortunate that Mr. Quelch feels that, by virtue of some high pressure on subsequent sections, he could not go so far as to support the amendment we now have. I myself will vote against the amendment, not because I am not satisfied with the compromise that was reached but because I feel that is the wrong procedure. This committee made certain recommendations, and I do not think that we can reverse those except by unanimous consent. By doing what you are doing now, I think you are reversing what this committee decided on.

I see no reason at all why this committee has to reach a unanimous viewpoint on everything that is in this bill or why the government has to have a bill that is unanimously endorsed. We find, after every attempt to compromise, that we cannot reach something that is endorsed by everybody; and that simply means that on one or two minor things there is going to be some controversy in the House, when the government assumes the responsibility of bringing the bill down. I think that is their responsibility, and I do not see why they do not take it. We simply invited the minister here surely to find out what he was going to oppose; or rather what the government, not he personally, would feel they would have to oppose in regard to the recommendations of this committee. This is not a bill that has been presented to us by the government. We have just been discussing a possible bill. I am going to vote against Mr. Mutch's amendment if it is put to us, not that I would not be satisfied, because I like to give and take. I would be satisfied with the changes that were made on this "wilfully and deliberately concealed" matter. I think that is a good example of how this committee might have arrived at some unanimous consent. But I am going to vote against it because I do not think his committee can be forced by muscular strength to reverse something that they submitted and were prepared to vote on previously.

The CHAIRMAN: I would point out to the committee that yesterday I pointed out to them that we were going to be in this particular position, and that we should decide at that time what our procedure was going to be. This committee decided at that time that we would go into session in camera, discuss these



things; then, having discussed them, that we would go into open session and entertain motions which would represent the wishes of the various elements in this committee as to what they wished reported to the House. In doing what I have done, gentlemen, I have carried out the express decision of this committee. We asked the committee to decide yesterday how we would proceed, and I am merely doing as this committee decided we would proceed. It is unfortunate that Mr. Benidickson was not here when this decision was made.

Mr. BENIDICKSON: I was here.

Mr. GREEN: You are not right in that. You are not fair in that.

The CHAIRMAN: Well, all right.

Mr. GREEN: There was never any suggestion yesterday or on any other day that this procedure that is now being attempted was to be followed. Nobody ever suggested that, and certainly nobody ever agreed to it.

The CHAIRMAN: The record will show it, anyway.

Mr. GREEN: You have got no right to say that.

Mr. GILLIS: Would you read the amendment?

The CHAIRMAN: The record will show whether or not it happened. The amendment is moved by Mr. Mutch that we insert on page 4 of the proposed draft bill in section 9 after the word "forces" in the third last line of section 9 the following words, "was wilfully and deliberately concealed". Then it goes on, "was obvious or was recorded on medical examination prior to enlistment". As I understand it Mr. Mutch's amendment is that those words be put in the bill.

Mr. BROOKS: I want to make myself clear on this. I do not object to that particular amendment in that particular section, but in doing that we violate a principle, and the same violation can be applied to every section that we have passed. On those grounds I feel that I am duty bound to vote against this particular amendment.

The CHAIRMAN: Are you ready for the question?

Mr. WINTERS: May I say a word? It seems to me we have got some misplaced emphasis here. I have always understood that procedure is a means to an end and not an end in itself. I think here we are using procedure to debate and decide whether or not we should admit something that is admittedly acceptable to this committee. We are saying that while we approve of this on a point of procedure we cannot admit it in this committee because we are forcing the committee to reverse itself. Surely this committee is master of its own fate as far as this committee goes. You say because we have agreed unanimously one time not to admit this we are stuck with it and we cannot do any more about it. We have agreed in the steering committee and in this committee that we can compromise on this particular point and it is acceptable to us, and it will be acceptable to us before the House, so why not put it in the bill now? Why stick on a point of procedure? I simply cannot see that. It may be that I am not trained legally to the point where I can follow it, but it just does not make sense to me.

Mr. BENIDICKSON: To me it is not a question of a legal mind at all. It is a question simply of—what will I say—a rough roller against people who are opposed to the views of the minister. I am going to support the minister in the House, but I am not going to support the methods in this committee.

Mr. GILLIS: I thought that was decided. Personally I am going to support the amendment. I am going to support it because this committee after deliberating on it yesterday in camera appointed the steering committee to get together and see if they could not arrive at some compromise. We did, and the compromise we arrived at last night was the writing into the Act of the words, "deliberate concealment". That was reported here this morning, and in a

discussion the committee had this morning I was of the opinion we were quite prepared to write that in and let it go as being the best we could get under the circumstances. I do not see how we can oppose it now. This clause is satisfactory. It is as much as we can get, and certainly I am going to support it.

Some hon. MEMBERS: Question.

Mr. FULTON: I would appreciate enlightenment on this point in view of what Mr. Gillis has said about a compromise being reached last night. As I understood it it was hoped that a compromise would be reached but a compromise was not reached. Then this morning the suggestion was made that another attempt be made to arrive at a compromise by using the words "wilfully and deliberately concealed". Those who represent this point of view agreed to accept that if certain other compromises were accepted, but those other compromises were not accepted. Therefore, as I understand it, the whole compromise has fallen to the ground. Therefore, we are back in the position where we have to proceed as though our efforts for the past two days have failed. I do not say the time was wasted, but I say the efforts have failed. Therefore, it is not fair to say that unless this committee accepts this amendment we were wasting the time of the past two days. I think we are back in the position where we were before the proceedings of the last two days. We should vote on the amendment purely on the merits of it, and in accordance with whether or not we agree with the proposal.

The CHAIRMAN: There is just one thing. Mr. Benidickson suggested there was some steam roller or something like that. I think on consideration he would want that withdrawn so that it will not go on the record. I do not think there has been any steam roller.

Mr. GREEN: You have no right to ask that.

Mr. BENIDICKSON: I am prepared to withdraw that.

Mr. BROOKS: I just want to correct the statement that was made by Mr. Gillis. He said there was agreement in the steering committee last night. He must have heard what the chairman said this morning that there was not any agreement on any point except the one that was raised by Mr. Sinclair. I remember distinctly the chairman saying before he left, "Oh well, if we fight on one we may as well fight on all three in the House." I think if Mr. Gillis will recall to mind what was said he will agree with me that was the statement that was made.

Some hon. MEMBERS: Question.

Mr. GILLIS: I have a fairly good memory and as I understood it last night this particular clause was agreed to.

The CHAIRMAN: I thought it was, too.

Mr. BROOKS: You did not say so this morning.

Mr. FULTON: Was it not subject to agreement being reached on the other matters?

Mr. GILLIS: I considered that the presumption clause, too, was immaterial. There was not very much difference of opinion. The sticking point was the deadline. Mr. Green took the attitude last night that as far as he was concerned there was liable to be a vote of the committee this morning and definitely there would be a discussion in the House. Then the chairman made the remark, "if we are going to fight on one we may as well fight on them all."

Mr. QUELCH: I think Mr. Brooks is correct. We did agree we would compromise by leaving "wilfully concealed" in or the terminology we are now using and drop the presumption clause on condition that there would be some agreement reached regarding the deadline. For a while this morning it looked as though it might be possible to reach a unanimous vote on account of the suggestion made by the minister, but apparently the minister is not prepared to

go as far as some of us had hoped he intended to go by the statement he made. The result is we have not been able to accomplish a compromise, and therefore the only thing to do is to go back to the original stand.

Some Hon. MEMBERS: Question.

Mr. SINCLAIR: From Mr. Gillis' remarks I understand that this phrase "wilful and deliberate" is the magic formula of the steering committee to solve this difficulty. Perhaps you, Mr. Chairman, as a lawyer will tell me when a wilful act is not deliberate, because it seems to me this is another play on words.

The CHAIRMAN: There was a suggestion in this committee that the Pension Commission or some members of it might not be giving full effect to the word "wilful". The suggestion was that "non-disclosure" was not the same as "wilful concealment", and we felt it should be made abundantly clear to the Commission in interpreting this Act that before they make a finding like this the concealment must be wilful and deliberate. It is to make it doubly sure that there was that intention to conceal. I think the two words make it stronger. Perhaps somebody else may say that "wilful" and "deliberate" mean the same thing. While there was no agreement on it last night the idea that I thought pretty well met general favour in our steering committee was that this was fairly satisfactory, but we did not actually agree on it. I think that was what Mr. Gillis meant. There seemed to be fairly general agreement.

Some Hon. MEMBERS: Question.

The CHAIRMAN: Are you ready for the question?

Mr. BENTLEY: I have a question I want to ask first. Before we went into open session the minister made a statement with regard to his attitude on the date line. He said in camera that he would be willing to put that on the record. He has not done so yet.

Hon. Mr. MACKENZIE: I will repeat what I said in camera, that I shall be very glad, indeed, to investigate at once all these cases of hardship in regard to children and possibly make further recommendations in regard thereto.

Mr. QUELCH: I should like to ask another question. This committee opposed the words "wilfully concealed" in the Act. We now have an amendment before us to substitute other words. I should like to ask Brigadier Melville this question. Had the words as now embodied in the amendment been in the Act instead of the words "wilfully concealed" would there have been any difference in your actions?

Brigadier MELVILLE: That is a question it is almost impossible to answer. The Commission is responsible for interpretation, and if the Act is amended, and amended to read "wilful and deliberate concealment" then I would consult with my colleagues, and by virtue of the powers conferred in section 5 of the Act we would administer in what we considered was the intent of parliament if the Act were so amended.

Mr. GREEN: I think the making of this change by putting in the word "deliberate" goes part way to meet my objection, and for that reason I would not quarrel with the amendment if that was all that was involved, but the difficulty is that this obviously is only the first amendment. Other amendments are going to be moved until this draft bill which we have agreed on is put into the shape that is suitable to the government.

Mr. MUTCH: To the majority of the committee.

Mr. GREEN: No, suitable to the government. That in effect means we are reversing decisions we have already made. I suggest to the committee that it is not only out of order but it is unfair and it is out of line with the spirit in which this committee has carried on from the time it was first set up.

Some Hon. MEMBERS: Question.



The CHAIRMAN: Those in favour of the amendment say "Yea"; against "Nay". In my opinion the yeas have it. Do you want to have a show of hands? Those in favour of the amendment raise your hands, please?

Mr. CRUICKSHANK: May I ask a question? If I vote for this motion it will not tie my hands as to the matter of the deadlines?

The CHAIRMAN: It has got nothing to do with it. Those against please raise their hands? Twenty-two to thirteen. The amendment is carried. Are there any further motions?

Mr. CRUICKSHANK: No, let us get on with the next section.

Mr. GREEN: You had better put the original motion, now.

Mr. CRUICKSHANK: Put the question on the presumption matter.

Mr. GREEN: Question, question.

Mr. MUTCH: On page 15 I wish to move an amendment as to section 31 on that page, that 62(a) be amended by striking out the clause which presently exists in this draft of a proposed bill and substituting therefor that section 62 of the said Act as amended by Section 14, chapter 35, of the Statutes of 1930 is repealed and the following substituted therefor:—

Notwithstanding anything in this Act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

Mr. GREEN: Can you explain what that amendment means?

The CHAIRMAN: You have heard the amendment. Is it carried?

Mr. FULTON: Read the amendment so that the committee can hear it.

The CHAIRMAN: The amendment is that section 62 of the said Act as amended by section 14, chapter 35 of the Statutes of 1930 is repealed, and the following substituted therefor—and the only difference is that after the word "inferences" two words are inserted, "and presumptions", in favour of the applicant. That is the benefit of the doubt clause. All those in favour of the amendment?

Mr. GREEN: I think it would have been of great help to the committee if Mr. Mutch could have explained what he means by his amendment, what the effect of the amendment would be. He has not chosen to do so. It is just another case like the previous motion where the committee unanimously adopted a new section of the Pension Act. That new section is contained in the draft bill. It is number 31 of the draft bill and would be section 62(a) of the Pension Act. Apparently the government are now unwilling to accept it so we have a motion brought in to add on to the benefit of the doubt clause which has been in existence for many years simply the word "presumption" without any explanation of what it means. Actually it does not tie in at all. It is just so much superfluous language. The section as the committee recommended it the other day did have some effect. I am going to read it to the committee. It said:—

There shall be a presumption that an applicant's condition as recorded on his acceptance as a member of the forces was in fact his condition at that time and that any subsequent deterioration during service was due to such service; subject to the provisions of paragraph (c) of subsection (1) of section 11 of this Act.

That presumption was put into the bill for this purpose, to overcome the situation which has been existing in Canada that thousands of young men who have been taken into the forces as fit have served this country in some cases for years, and have been discharged as medically unfit. The Commission have

ruled that they cannot qualify for pension because their condition was a pre-enlistment condition. The chairman of the Pension Commission gave these figures here the other day. Up to the end of December, 1945, there were 7,810 men in that position who had served overseas and could not get a pension because it was ruled they had a pre-enlistment condition that had not been aggravated by service, and yet in spite of that finding these men had been accepted as fit, had been sent overseas, and had been discharged as medically unfit.

I suggest to you that is a situation that must be met, and if the government refuse to take any steps to meet it this year it will have to be met sooner or later. Now is the time to remedy that situation. I think it would be greatly helped by the section that was passed by the committee the other day. There would be this presumption that it is up to the state to show that the man's deterioration was not due to his service.

The figures for those who served in Canada show that 54,207 were not granted entitlement because they were found to have a pre-enlistment condition not aggravated by service. Now, the chairman has said: "Oh, well, they are protected by the insurance principle now." Well, they are not protected by the insurance principle. The figures were given by Brigadier Melville the same day showing that the men who would be helped by the insurance principle numbered 17,456, and they are listed as not granted entitlement for other reasons under sections 11 and 12 of the Act. These men are ruled out because they have a pre-enlistment condition which has been found. I suggest to you that that presumption should be written into our Pension Act in fairness to the men who have been doing the fighting. The British have the same presumption in their Act. The chairman has said: "Oh, well, it does not mean anything at all; it does not mean anything in England; they only put it in there two or three years ago, and it was brought in to meet the same type of case we are having difficulty with now." I think the Pension Commission do not want it in, and that is one reason why it should be put in. The Pension Commission do not want it in because they say: "Oh, well, we are going to have trouble with this; any man will think he is entitled to pension, and we will have to rule him out," and so on and so forth, but that should not be the position of this committee—whether it is going to mean more work for the Pension Commission. There is an unfairness being done to the men here. Some of these men, at least, are entitled to pension. I know of cases where men have been several years overseas and they are ruled out on this business of having a pre-enlistment condition. I am quite sure the people of Canada will be willing to stand behind an amendment of this type, that the men shall at least, start off with a presumption in their favour that if their condition has deteriorated during service it shall be presumed that they got their disability as the result of this service, unless the state can show to the contrary.

I think that the minister would be willing to have that amendment put in. He has already said he does not feel very deeply one way or the other about it. I suggest to the committee that you back up the amendment as it was backed up unanimously the other day. On the previous amendment there was a split when we struck out the words "wilfully concealed"; there was a close vote of the committee. It may have been that the government did not have enough members here that morning or that the opposition parties had too many. In any event there was a dispute about that matter and a very close vote, but on this particular amendment there was no split; everybody was for it. The minister has said he is not strenuously opposing it, and I suggest to the committee that we do not make a farce of this thing and simply throw out our draft bill holus-bolus in order to get in a draft bill that is exactly what the government wants. I would appeal for support in keeping this section in the Act.

Brigadier MELVILLE: Mr. Chairman and gentlemen, I was indeed sorry to hear the statement made that the Pension Commission is not willing to make a change and that is why this is not being included. I have endeavoured before



this committee at all times to maintain an absolutely impartial attitude. I have brought before this committee statements, and have quoted figures and endeavoured to answer any criticism. That criticism was welcomed by the commission as something that would probably help us to direct our efforts in a better manner afterwards. Mr. Green has quoted from the statement. This statement and these figures were prepared by myself. For three or four months before this committee met I asked myself repeatedly: what is the best information I can get; what would I want if I were a member of this committee? And I produced these figures. I was told by the services—and when I say the services I mean the navy, army and air force, and I fully recognize the fact that the ministers are here—that some of the figures I wanted would not be available. I urged upon them to get the figures, and at the end of two or three months I have produced them. I maintain that the figures in this statement have never before been prepared for a parliamentary committee, and they present the best picture that was ever given of the number of men who enlisted in the forces, those who served in Canada, those who served overseas, those who were discharged on medical grounds; and what action the commission has taken on their behalf. Now, I absolutely deny the statement made by Mr. Green, and I am sorry to say so as a witness before this committee—

Mr. GREEN: Which statement?

Brigadier MELVILLE: I am coming to it with all due respect. You said I stated that 54,207 men were not granted entitlement because the commission ruled "pre-enlistment condition not aggravated by service", and that I said they were covered by the insurance principle.

Mr. GREEN: Oh, no; I am sorry; I mean the chairman of the committee.

The CHAIRMAN: I never said that. Certainly, I never said that.

Mr. GREEN: I absolve the chairman of the commission; I did not mean him at all; but the chairman of the committee said so much that he does not remember saying it.

The CHAIRMAN: I guess there are others who say a good deal too in this committee. I remember what I said.

Brigadier MELVILLE: The Chairman of the Pension Commission made no such statement—

Mr. GREEN: I appreciate that.

Brigadier MELVILLE: What he did say—and I will put it on record again, is that they were not covered—because the condition had been ruled as pre-enlistment not aggravated—by the insurance principle. They had the right to go ahead within the Act and renew their applications and proceed with their claims for pension. The decisions made were initial ones. Mr. Chairman, may I go on?

The CHAIRMAN: Yes.

Brigadier MELVILLE: The question has been raised with regard to presumption, and the statement has been made that the commission has taken a negative attitude. Mr. Green read the amendment that is here: "There shall be a presumption. . . ."—and it closes with the words ". . . subject to the provision of paragraph (c) of subsection 1 of section 11 of this Act." I have endeavoured to point out to the committee, and I feel it is my responsibility to do so, that the section quoted deals with members of the forces who served in a theatre of actual war; and I know perfectly well that Mr. Green in his representations wishes this presumption to apply to all members of the forces irrespective of the theatre of service. In a kindly manner, and in a manner I feel is my responsibility, I pointed out that the amendment as it is there now is not correct.



Mr. GREEN: Brigadier Melville, I think you will agree that the reason that proviso was added on was to include in this presumption clause the cases where disability was obvious or was recorded on medical evidence prior to the examination or, under the amendment that was passed a few moments ago, was wilfully and deliberately concealed. I think that was the purpose of Mr. Herridge in asking that it be added.

The CHAIRMAN: It is not that way in the proposed bill which you moved to be reported to parliament.

Mr. GREEN: It could be.

The CHAIRMAN: You would say it would be improper to change it. That is what I understand by your argument.

Mr. GREEN: I am satisfied with it.

Brigadier MELVILLE: At a previous meeting of the committee I made that observation, and when the amendment was read out today and no change was made I felt it was incumbent upon me to again make my representation in that regard.

With regard to presumption, I must again, as chairman of the commission, take what the commission considers—this is not my own personal viewpoint—the interpretation of “there shall be a presumption”. I say that a member of the forces wonders what that word “presumption” means; most of them do not understand it. Then he goes on and reads the section and it says this: “The applicant’s condition as recorded on his acceptance as a member of the forces was in fact his condition at that time.”

Well, his condition at that time is at the time of attestation, and if there is nothing reported on his documentation and if he has answered no to all the questions that were asked, then there is nothing wrong with him and he is category A. The amendment goes on to say: “Any subsequent deterioration during his service was due to such service.” Therefore, if that member of the forces is discharged in any lower category with a disability he is entitled to pension, according to that second section.

Mr. GREEN: Subject to presumption by rebuttal.

Brigadier MELVILLE: I am trying to speak for the member of the forces who does not know what the word “presumption” means, and when you say “rebuttable presumption” he is in a greater fog than ever. I want to quote figures with regard to the number of men and their period of service: 3,830 members of the forces served for less than 30 days.

Mr. GREEN: For what reason were they discharged?

Brigadier MELVILLE: I said members of the forces who were discharged; I do not know the cause of their discharge, but I will deal with that later.

17,388 served for from 31 to 90 days; 28,982 served from 91 to 183 days—which is six months; and 42,516 served from 184 days to 364 days—one year. The total is 92,716 men served in the army for less than one year.

Mr. GREEN: How many of those were discharged as medically unfit?

Brigadier MELVILLE: It is impossible for me to state how many were discharged as medically unfit, but the majority of them were discharged on medical grounds. I shall be very glad to get the figures if they are available. The majority were discharged as unfit for service.

Mr. PEARKES: Mr. Chairman, on a point of order, are we at this stage going to hear more witnesses? Here is a man who is not a member of the committee giving further evidence. If you are going to call witnesses I am going to ask that certain other witnesses be produced when we deal with these other clauses.

Mr. CRICKSHANK: Mr. Chairman, on the point of order, Mr. Green quoted certain figures which he attributed to the chairman of the Pension Committee.

Mr. FULTON: Those are already on record.

Mr. CRUICKSHANK: Nevertheless the chairman of the commission took objection to those figures and his attitude is perfectly correct.

Mr. GREEN: No—

Mr. CRUICKSHANK: Just let me go on. Last night you heard Tony Galento handling another affair, and I know you all want to get your lunch and get into the House at 3 o'clock to hear Cruickshank. We are not getting anywhere. I do not know why we cannot have a vote on this section. Let us get down to it and have a vote without any further remarks, with all due respect, from the chairman, from Mr. Green, from Mr. Mutch or even from Mr. Cruickshank.

The CHAIRMAN: The amendment, gentlemen, strikes out section 31 and adds to clause 62 the words "and presumptions" after the word "inferences." Those in favour of the amendment please say aye; those opposed?

Amendment agreed to.

Mr. CRUICKSHANK: Let us have a vote on the next question.

The CHAIRMAN: May we have a motion on this matter of the date-line?

Mr. WINTERS: On the matter of the date-line, in order to bring this question to a head and clear the decks for the main motion, I move as another amendment that the date-lines be reintroduced into this bill and that the bill be introduced into the House accordingly. At page 6, section 15 (9) at the end of the section, the date will be reintroduced. On the same page, section 15 (10), the date will be reintroduced. The next reference is on page 9, section 20 and the next one is on page 11, section 22, and the other date-line is section 67.

The CHAIRMAN: You have heard the amendment moved by Mr. Winters that the date-lines be introduced in the places mentioned. Those in favour of the amendment please say aye; those against?

Amendment agreed to.

The CHAIRMAN: Shall I report the bill with these amendments?

Carried.

The CHAIRMAN: Now, gentlemen, before we adjourn may I say that the War Veterans' Allowance Bill is printed—

Mr. GREEN: What about reporting the proceedings?

The CHAIRMAN: Gentlemen, before you go, there is an important question to be decided which has been brought up by Mr. Green. What is the desire of the committee: do they want this bill reported back to the committee after it has been introduced in the House and gets second reading?

Mr. GREEN: No, that is not it. I asked is it clear that all the proceedings of the committee will be reported?

The CHAIRMAN: Oh, yes. Now, may we have some indication of what the committee would like as regards whether this bill should be reported back to us after it gets second reading? Could we have a motion?

Mr. GILLIS: I move that the bill be not referred back to us.

Carried.

The committee adjourned to meet on Tuesday, June 11, 1946, at 11 o'clock a.m.

v. Doc  
an  
gm  
V  
CAI  
Xc2  
-45021

Canada Veterans Affairs  
Spec. Comm. 1946

SESSION 1946

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

# VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 30

TUESDAY, JUNE 11, 1946

WITNESSES:

Mr. T. L. Church, M.P.;

Mr. W. S. Woods, Deputy Minister, and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs;

Mr. J. C. G. Garneau, Chairman, War Veterans Allowance Board;

Rev. J. Herbison, Veterans of Two Great Wars.

OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1946





## REPORT TO THE HOUSE

MONDAY, June 10, 1946.

The Special Committee on Veterans Affairs begs leave to present the following as a

### SEVENTH REPORT

Your Committee has carefully considered the legislation relating to disability pensions for veterans of World War I and World War II and has embodied its conclusions in a proposed bill to amend the Pension Act, a draft of which is appended hereto. Your Committee recommends that the Government give consideration to the introduction of such a bill.

A copy of the minutes of proceedings and evidence of the Committee to date is also appended.

All of which is respectfully submitted.

WALTER A. TUCKER,  
*Chairman.*

## DRAFT OF A PROPOSED BILL TO AMEND PENSION ACT

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Paragraph (*dd*) of section two of the Pension Act, chapter one hundred and fifty-seven of the Revised Statutes of Canada, 1927, as enacted by section three of chapter thirty-eight of the statutes of 1928, is repealed and the following substituted therefor:—

(*dd*) “Department” means the Department of Veterans Affairs, and includes in respect of matters antecedent to this Act, the Military Hospitals Commission, the Department of Soldiers’ Civil Re-establishment and the Department of Pensions and National Health;

2. Paragraph (*ggg*) of section two of the said Act as enacted by section one of chapter forty-five of the statutes of 1933 is repealed and the following substituted therefor:—

(*ggg*) “Hospital Allowance” means pay and allowances or compensation payable or paid by the Department to or on behalf of a person while undergoing treatment.

3. Paragraph (*o*) of section two of the said Act, as enacted by section one of chapter twenty-three of the statutes of 1940-41, is repealed and the following substituted therefor:—

(*o*) “service in a theatre of actual war” means:—

- (i) in the case of the military or air forces during World War I, service in the zone of the allied armies on the continents of Europe, Asia or Africa or in any other place at which the member of the forces has sustained injury or contracted disease directly by a hostile act of the enemy;
- (ii) in the case of the naval forces during World War I, service on the high seas or wherever contact has been made with hostile forces of the enemy, or in any other place at which the member of the forces has sustained injury or contracted disease directly by a hostile act of the enemy;
- (iii) in the case of the naval, military or air forces during World War II, service on the seas, in the field or in the air, in any place outside of Canada; or service in any place in Canada at which the member of the forces has sustained injury or contracted disease directly by a hostile act of the enemy.”

4. Paragraphs (*p*) and (*q*) of section two of the said Act, as enacted by section two of chapter twenty-three of the statutes of 1940-41, are repealed and the following substituted therefor:—

(*p*) “World War I” means the war waged by the German Emperor and His Allies against His Majesty and His Majesty’s Allies; and the period denoted by the term “World War I” is the period between the fourth day of August, one thousand nine hundred and fourteen, and the thirty-first day of August, one thousand nine hundred and twenty-one, both dates inclusive;

(*q*) “World War II” means the war waged by His Majesty and His Majesty’s Allies against Germany and Germany’s Allies which for the purposes of this Act shall be deemed to have commenced on the first day of

September, one thousand nine hundred and thirty-nine, the date or dates, as the case may be, of termination of which will be such date or dates, as may be proclaimed by the Governor in Council;

5. Section two of the said Act, as amended by chapter thirty-eight of the statutes of 1928, chapter thirty-five of the statutes of 1930, chapter forty-five of the statutes of 1932-33, chapter forty-four of the statutes of 1936, chapter thirty-two of the statutes of 1939 (1st Sess.), chapter twenty-three of the statutes of 1940-41 and by this Act, is further amended by adding the following subsections thereto:—

(2) The expressions "World War I" and "World War II" are substituted, respectively, for the expressions "Great War" and "War with the German Reich" wherever the latter expressions appear in this Act.

(3) The title "Department of Veterans Affairs" is substituted for the title "Department of Pensions and National Health" wherever the latter title appears in this Act.

6. Subsections three, seven and nine of section three of the said Act as enacted by section two of chapter forty-four of the statutes of 1936 are repealed and the following substituted therefor: —

(3) The Governor in Council shall appoint one of the Commissioners to be Chairman and another of the Commissioners to be Deputy Chairman of the Commission.

(7) The Chairman shall be paid a salary of Nine Thousand Dollars per annum, the Deputy Chairman shall be paid a salary of Seven Thousand and Five Hundred Dollars per annum and each of the other Commissioners, including *ad hoc* Commissioners, shall be paid a salary at the rate of Seven Thousand Dollars per annum; such salaries shall be paid monthly out of any unappropriated moneys forming part of the Consolidated Revenue Fund of Canada.

(9) (a) The Chairman of the Commission shall have the rank and the powers of a deputy head of a department for the purposes of this Act and shall have control and direction over the disposition of and duties to be performed by the other Commissioners and shall have control over the duties to be performed by such staff as may be assigned to the Commission by the Department.

(b) In case of the absence of the Chairman or his inability to act, the Deputy Chairman shall exercise the powers of the Chairman for him or in his stead, and in such case, all regulations, orders and other documents signed by the Deputy Chairman shall have the like force and effect as if signed by the Chairman.

(c) Whenever the Deputy Chairman appears to have acted for or instead of the Chairman, it shall be conclusively presumed that he so acted in the absence or disability of the Chairman within the meaning of Paragraph (b) of this subsection.

(d) When the Chairman deems it necessary for the more speedy and convenient despatch of business he may, in writing, delegate to the Deputy Chairman, from time to time, the performance of any of the duties imposed upon him under the provisions of this Act or arising out of the administration of the same, and when the performance of such duties has been so delegated, the performance thereof shall have like force and effect as if performed by the Chairman.

7. Section 10 of the said Act is amended by adding thereto the following subsections:—

(6) The Veterans' Bureau, in addition to such duties in connection with the preparation and presentation of pension cases as are prescribed



by the procedural sections of the Act, shall upon request advise pensioners and applicants upon any provision of the Act or phase of pension law or administration which may have a bearing upon their pension claims, whether in respect of entitlement to pension under Section 11 or otherwise, and when deemed by the Chief Pensions Advocate necessary or advisable shall make written or oral representations to the Commission in furtherance of such claims.

(7) For the purposes of the next preceding subsection of this section Pensions Advocates shall be empowered to attend and assist the pensioner or applicant, or, in his absence represent him, at any hearing before the Commission or an Appeal Board thereof at which he is entitled to be present.

8. The introductory words of subsection one of section eleven of the *Pension Act* are repealed and the following substituted therefor:—

(1) In respect of military service rendered during World War I or during World War II,

9. Paragraph (c) of subsection 1 of section 11 of the *Pension Act* is repealed and the following substituted therefor:—

(c) no deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during World War I or during World War II, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforesaid wars; provided that service by a member of the forces in a theatre of actual war may only be counted for the purposes of this paragraph when it has been rendered in the particular war with reference to service in which pension has been awarded; and further provided that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was wilfully and deliberately concealed, was obvious or was recorded on medical examination prior to enlistment.

10. Subsection two of section eleven of the *Pension Act* is repealed and the following substituted therefor:—

(2) In respect of military service rendered in the non-permanent active militia or in the reserve army during World War II and in respect of military service in peace time, pension shall be awarded to or in respect of members of the forces who have suffered disability, in accordance with the rates set out in Schedule A to this Act, and in respect of members of the Forces who have died, in accordance with the rates set out in Schedule B to this Act, when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made arose out of or was directly connected with such military service.

11. Subsection three of section eleven of the *Pension Act* is repealed and the following is substituted therefor:—

(3) Notwithstanding sections twenty-seven and thirty-seven of the *Pension Act*, in the case of a pension awarded for disability or death in respect of military service during World War II that was wholly rendered in Canada on and after the twenty-first day of May, one thousand nine hundred and forty, and no part of which was rendered in a theatre of actual war, when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made did not arise out of or was not directly connected with such military service, the pension shall not take effect on any day prior to the first day of June, one thousand nine hundred and forty-six.

12. Paragraph (c) of section twelve of the said Act, as enacted by section seven of chapter twenty-three of the statutes of 1940-41, is repealed and the following substituted therefor:—

(c) that in the case of venereal disease contracted prior to enlistment and aggravated during service, pension shall be awarded for the total pensionable disability existing at the time of discharge in all cases where the member of the forces saw service in a theatre of actual war, and no increase in disability after discharge shall be pensionable, but, if it subsequently appears upon examination that such disability has decreased in extent, pension shall be decreased accordingly; provided that pension may thereafter be increased or decreased, subject to the limitation hereinbefore prescribed, in accordance with the degree of disability which may be shown to exist upon any subsequent examination.

13. Section sixteen of the said Act as enacted by section eight of chapter eight of the statutes of 1928 and as amended by section seven of chapter forty-five of the statutes of 1933 is repealed and the following substituted therefor:—

"16. When a pensioner appears to be incapable of expending or is not expending the pension in a proper manner or is not maintaining the members of his family to whom he owes the duty of maintenance, or, in the discretion of the Commission, when a retroactive pension is awarded or a pensioner is *receiving treatment or care from the Department*, the Commission may direct that the pension be administered for the benefit of the pensioner and/or the members of his family by the Commission or the Department or by some person selected by the Commission."

14 Subsection seven of section twenty-two of the said Act as enacted by section twelve of chapter twenty-three of the statutes of 1941 is repealed and the following substituted therefor:—

(7) The children of a pensioner who has died and who at the time of his death was in receipt of pension in any of the classes one to eleven mentioned in Schedule A to this Act, shall be entitled to a pension as if he had died on active service whether his death was attributable to his service or not.

15. (1) Subsections nine and ten of section twenty-two of the said Act, as enacted by section thirteen of chapter twenty-three of the statutes of 1940-41, are repealed and the following substituted therefor:—

(9) On and after the death of the wife of a pensioner pensioned on account of disability, the additional pension for a married member of the forces may, in the discretion of the Commission, be continued to him for so long as there is a minor child or are minor children of pensionable age, provided there exists a daughter or other person competent to assume and who does assume the household duties and care of the said child or children, and further provided that in cases in which the pensioner in question is pensioned in respect of service during World War I, such children were born prior to the first day of May, 1944.

(10) On and after the death of a widow of a member of the forces who has been in receipt of a pension, the pension for the widow may, in the discretion of the Commission, be continued for so long as there is a minor child or there are minor children of pensionable age, to a daughter competent to assume and who does assume the household duties and care of the other child or children, provided that in such cases the pension payable for children shall continue, but the rate payable for orphan

children shall not apply, and further provided that, in cases in which the widow in question was in receipt of pension in respect of service during World War I, such children were born prior to the first day of May, 1944.

(2) Section twenty-two of the said Act is further amended by adding thereto the following subsection:—

(11) The Commission may, in its discretion, award or refuse to award additional pension, to or in respect of a child or children of a female member of the forces.

16. Section twenty-three of the said Act is repealed and the following substituted therefor:—

23. When pension is awardable under the provisions of this Act in respect of the death of a member of the forces and when such member of the forces has died leaving an orphan child, or when his widow, divorced wife, parent or the woman awarded a pension under subsection three of section thirty-two of this Act, has died leaving an orphan child of such member of the forces, such orphan child shall be entitled to a pension in accordance with the provisions of Schedule B.

17. Subsection three of section twenty-four of the said Act, as enacted by section fourteen of chapter 23 of the statutes of 1941, is repealed and the following substituted therefor:—

24. (3) Pensions for disability resulting from pulmonary tuberculosis when during the treatment of a member of the forces the presence of tubercle bacilli has been discovered in the sputum or it has been proved that the disease is moderately advanced and clinically active, shall be awarded and continued as follows:—

- (a) In the case of a member of the forces who served in a theatre of actual war and whose disease was attributable to or was incurred or was aggravated during service, either during World War I or World War II, and in the case of a member of the forces who did not serve in a theatre of actual war whose disease was incurred during service during either of the said wars, a pension of one hundred per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;
- (b) In the case of a member of the forces who did not serve in a theatre of actual war whose disease was aggravated during service, either during World War I or World War II, a pension of ninety per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;
- (c) In the case of a member of the forces who has seen service in the non permanent active militia or in the reserve army during World War II or in the case of a member of the forces who has seen service in peace time, whose disease occurred on service and arose out of or was directly connected with such service, a pension of one hundred per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;
- (d) In the case of a member of the forces who has seen service in the non permanent active militia or in the reserve army during World War II or in the case of a member of the forces who has seen service



in peace time, whose disease was aggravated during service and the aggravation arose out of or was directly connected with such service, a pension of ninety per cent shall be awarded as from the date of completion of such treatment and shall be continued without reduction for a period of two years, unless further treatment is required;

Provided that after the expiry of two years no pension awarded in respect of pulmonary tuberculosis shall be reduced by more than twenty per cent at any one time, nor shall reductions be made at intervals of less than six months; and that the provisions of paragraphs (b) and (d) of this subsection shall not apply if the disease manifested itself within a period of three months after enlistment.

18. Section twenty-seven of the said Act, as enacted by section eleven of chapter thirty-two of the statutes of 1939, is amended by adding thereto the following subsection:—

(3) Notwithstanding any limitations contained in this section, the Commission may, in its discretion, in respect of service during World War II, make an additional award not exceeding an amount equivalent to an additional eighteen months' pension where, through delays in securing service or other records, or through other administrative difficulties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue.

19. Section twenty-nine of the said Act as enacted by section twenty of chapter thirty-eight of the statutes of 1928, as amended by section twelve of chapter forty-five of the statutes of 1933 and as further amended by section sixteen of chapter forty-four of the statutes of 1936 is repealed and the following substituted therefor:—

29. (1) During such time as, under departmental regulations in that behalf, a pensioner is entitled to hospital allowance while an in-patient under treatment from the Department and his pension including the pension, if any, for his dependents, is greater than the hospital allowance awardable by the department, pension shall be reduced by an amount which will make such pension equal to the hospital allowance.

(2) During such time as, under the departmental regulations in that behalf, a pensioner is an in-patient under treatment in respect of a disability other than his pensionable disability, his pension, if in excess of the amount he would have been entitled to receive by way of hospital allowance, if the disability for which he is under treatment had been pensionable, shall be reduced to such amount; pending a fresh award, the payment of pension in full shall recommence forthwith upon the pensioner's ceasing to be an in-patient as aforesaid.

(3) Hospital allowance shall be paid from any appropriation granted by Parliament for this purpose or from moneys provided by Parliament for the payment of pensions under this Act.

(4) Notwithstanding the provisions of subsections one and two of this section, any addition to pension granted under subsections one or two of section twenty-six of this Act to a member of the forces who is blind shall be paid during the time he is an in-patient under treatment or care from the Department.

20. (1) Subsection one of section thirty-two of the said Act, as enacted by section twenty-four of chapter thirty-eight of the statutes of 1928, and amended by section twelve of chapter thirty-five of the statutes of 1930, is repealed and the following substituted therefor:—

32. (1) (a) No pension shall be paid to the widow of a member of the forces unless she was living with him or was, in the opinion of the Com-

mission, entitled to be maintained by him at the time of his death and for a reasonable time previously thereto.

(b) No pension shall be paid to a widower of a member of the forces.

(2) Subsection two of the said section, as enacted by section sixteen of chapter twenty-three of the statutes of 1940-41, is repealed and the following substituted therefor:—

(2) Subject as in this Act otherwise provided, the widow of a member of the forces who was at the time of his death in receipt of a pension in any of the classes one to eleven, inclusive, mentioned in Schedule A to this Act, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not,

(a) in the case of service during World War I, if she was married to him prior to the first day of May, 1944; and

(i) the death of her husband has occurred more than one year subsequent to the date of marriage, or

(ii) the death of her husband has occurred less than one year subsequent to the date of marriage and the Commission is of the opinion that he had at the date of such marriage a reasonable expectation of surviving for at least one year thereafter;

provided that in awards made to widows married on or after the first day of January, 1930, no payment shall be made hereunder for any period prior to the first day of May, 1944.

(b) in the case of service during World War II and in the case of service during peace time, if she was married to such member of the forces before he was granted a pension; provided that in cases in which marriage has taken place subsequent to grant of such pension, she shall be entitled to pension,

(i) if the death of her husband has occurred more than one year subsequent to the date of marriage, or

(ii) if the death of her husband has occurred less than one year subsequent to the date of marriage and the Commission is of the opinion that he had, at the date of such marriage, a reasonable expectation of surviving for at least one year thereafter;

and further provided that no payment shall be made under this subsection from a date prior to that from which pension is payable under the provisions of section thirty-seven of this Act.

21. Section thirty-two of the said Act as enacted by section thirty-three of chapter forty-three of the statutes of 1919 and amended by section sixteen of chapter twenty-three of the statutes of 1941 is further amended by repealing subsection four thereof and substituting the following therefor:—

4 (a) A woman who has been divorced, legally separated or separated by agreement from a member of the forces who has died shall not be entitled to pension unless she was awarded alimony or an alimentary allowance, or is entitled to an allowance under the terms of the separation agreement, in which case she shall be entitled, if she is in a dependent condition, to the equivalent of the widow's pension or to the equivalent of the alimony or alimentary allowance which she was awarded, or of the allowance to which she is entitled under the terms of the separation agreement, whichever is the smaller in amount; provided that when such amount is smaller than the widow's pension it may, in the discretion of the Commission, be increased to an amount not exceeding the rates set forth in Schedule B to this Act.

(b) Notwithstanding anything contained in paragraph (a) of this subsection, when a woman has been divorced from a member of the forces,

and such woman is in a dependent condition, the Commission may, in its discretion, award such pension not exceeding the rates set out in Schedule B to this Act, as it deems fit in the circumstances, although such woman has not been awarded alimony, if in the opinion of the Commission, she would have been entitled to an award of alimony had she made application therefor under due process of law.

22. Paragraph (a) of subsection one of section thirty-two A of the said Act, as enacted by section seventeen of chapter twenty-three of the statutes of 1940-41, is repealed and the following substituted therefor:—

- (a) in the case of service during World War I, if she was married to such member of the forces either before he was granted a pension for the injury or disease which has resulted in his death or, if the marriage took place subsequent to the grant of such pension, she shall be entitled to a pension if she was married to him prior to the first day of May, 1944, and
    - (i) the death of her husband has occurred more than one year subsequent to the date of marriage, or,
    - (ii) the death of her husband has occurred less than one year subsequent to the date of marriage and the Commission is of the opinion that he had, at the date of such marriage, a reasonable expectation of surviving for at least one year thereafter;
- provided that in awards made to widows married on and after the first day of January, 1930, no payment shall be made for any period prior to the first day of May, 1944.

23. Subsection two of section thirty-three of the said Act is repealed and the following substituted therefor:—

(2) In cases in which a member of the forces has died leaving a widow or a widow and children or orphan children entitled to pension in addition to a parent or person in the place of a parent who previous to his enlistment or during his service was wholly or to a substantial extent maintained by him, the Commission may, in its discretion, award a pension to each such parent or person not exceeding three hundred and sixty dollars per annum.

24. (1) Section thirty-seven of the said Act, as enacted by section thirteen of chapter thirty-two of the statutes of 1939, is amended by repealing subsection two thereof and substituting the following therefor:—

(2) Notwithstanding any limitation contained in this section, the Commission may, in its discretion, make an additional award not exceeding an amount equivalent to an additional six months' pension, where it is apparent that hardship and distress might otherwise ensue; provided that no payments may be made under this section in respect of any member of the forces who has died, for any period prior to the date of death, or for any period in excess of eighteen months prior to the date on which pension is finally awarded, except as otherwise provided in subsection three of this section.

(2) The said section is further amended by adding thereto the following subsection:—

(3) Notwithstanding any limitations contained in this section, the Commission may, in its discretion, in respect of service during World War II, make an additional award not exceeding an amount equivalent to an additional eighteen months' pension where, through delays in securing service or other records or through other administrative diffi-



culties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue: Provided that no such payment may be made in respect of any member of the forces who has died for any period prior to the date of death.

25. Sections 45 and 46 of the said Act as enacted by sections 18 and 19 of chapter 23 of the statutes of 1941, are repealed and the following is substituted therefor:—

45. The benefits of this Act, in so far only as the same or equivalent benefits are not provided under the laws or regulations of members of the British Commonwealth of Nations, other than the Dominion of Canada, or under the laws and regulations of the several countries allied with His Majesty, shall be conferred upon all persons domiciled in Canada on the date of commencement of World War I, who, subsequent to that date, have served in the naval, military or air forces of any of the said members of the British Commonwealth of Nations, or in any of the aforesaid forces of any of the countries allied with His Majesty, and who, while so serving during the said war have suffered disability or death in respect of which a gratuity or pension has been awarded under the laws or regulations of any of the aforementioned countries; and the widows, children and other dependents of such persons shall be entitled to the benefits of this Act in so far as the same or equivalent benefits are not provided in respect of them under the laws or regulations of any of the aforementioned countries; provided that payments may be made under the provisions of this section only to such persons as are residents of Canada and during the continuance of their residence therein; and further provided that no payments may be made under these provisions in respect of any period prior to June first, one thousand nine hundred and forty-six.

26. The said Act is further amended by adding thereto the following section immediately after section forty-six thereof:—

46A. The benefits of this Act, in so far only as the same or equivalent benefits are not provided under the laws and regulations of members of the British Commonwealth of Nations, other than the Dominion of Canada and the United Kingdom of Great Britain and Northern Ireland, or under the laws and regulations of the several countries allied with His Majesty, shall be conferred upon all persons domiciled in Canada at the date of the commencement of World War II, who subsequent to that date have served in the naval, military or air forces of any of the said members of the British Commonwealth of Nations, or in any of the aforesaid forces of any of the countries allied with His Majesty, and who, while so serving during the said war have suffered disability or death in respect of which a gratuity or pension has been awarded under the laws or regulations of any of the aforementioned countries; and the widows, children and other dependents of such persons shall be entitled to the benefits of this Act in so far as the same or equivalent benefits are not provided in respect of them under the laws or regulations of any of the aforementioned countries: provided that payments may be made under the provisions of this section only to such persons as are residents of Canada and during the continuance of their residence therein.

27. The said Act is further amended by adding thereto the following section immediately after forty-six A thereof:—

46B. In the consideration of any claim or the authorization of an award under the provisions of any of the three sections next preceding, the Commission shall require the applicant or pensioner to take all or any

steps to claim payment or additional payment under the laws or regulations of the several countries by authority of which the original grant of pension was made, or under the terms of any agreement which may have been or may hereafter be made with any of the countries concerned.

28. Subsection one of section fifty-two of the said Act, as enacted by section twenty-one of chapter forty-four of the statutes of 1936, is repealed and the following substituted therefor:—

52. (1) When an application with respect to service in World War I is first made to the Commission after the coming into force of the amending Act of 1936, the Commission shall expeditiously consider such application and shall collect such relevant information, if any, as may be available in the records of any department of the Government of Canada and make, through its medical and other officers, such enquiry as appears advisable into the facts upon which the application is based; if satisfied on the material available, that the applicant is entitled to a pension, the Commission shall then award such pension, and shall take the necessary steps to cause payment of such pension to be made.

29. Subsection five of section fifty-two of the said Act is amended by adding thereto the following:—

provided, however, that where the applicant is suffering from a neuropsychiatric disease it shall be within the discretion of the Chief Pensions Advocate whether the summary of evidence be furnished to the applicant.

30. The said Act is further amended by adding thereto the following section immediately after section fifty-two thereof:—

52A. (1) In respect of all applications for entitlement to pension arising out of World War II the Commission shall expeditiously consider each application and shall collect such relevant information, if any, as may be available in the records of any department of the Government of Canada and make, through its medical and other officers, such enquiry as appears advisable into the facts upon which the application is based; if satisfied, on the material available, that the applicant is entitled to a pension, the Commission shall then award such pension, and shall take the necessary steps to cause payment of such pension to be made.

(2) Whenever such application is not wholly granted, the Commission shall promptly notify the applicant, in writing, of its decision, stating the grounds therefor, and shall inform such applicant that he may renew his claim, before the Commission on the submission of additional evidence, or before an Appeal Board of the Commission in person or by or with a representative, with or without additional evidence, and that he may have the assistance of the Veterans' Bureau free of charge or of a service bureau of a veteran organization, or other representative at his own expense, in the preparation and presentation of his application.

(3) When the applicant renews his claim before the Commission, as provided for in subsection two hereof, and the Commission is satisfied, on the material available, that the applicant is entitled to pension, it shall then award such pension and shall take the necessary steps to cause payment of such pension to be made, but if this renewed application is not wholly granted, the Commission shall notify the applicant in writing, of its decision, stating as before, the grounds therefor, and shall inform him that he may, if he so desires, appear before an Appeal Board of the Commission.

(4) The Commission may, in its discretion, entertain a further application in respect of any injury or disease resulting in disability,

prior to a hearing by an Appeal Board of the Commission, but after a hearing by an Appeal Board, the Commission may entertain no further application in respect of any injury or disease whatsoever, subject, however, to the provisions of subsection four of section fifty-seven of this Act, respecting leave to reopen an application in certain instances.

(5) After a decision has been rendered by the Commission, upon the applicant's written request, the Commission will arrange for a hearing by an Appeal Board of the Commission subject to the following conditions:—

- (a) That additional evidence may be submitted;
- (b) That prior to an Appeal Board hearing, the applicant has submitted to the Commission a statement, signed by himself, setting forth all disabilities which have been previously ruled on adversely by the Commission, and which he claims to be the result of injury or disease or aggravation thereof attributable to or incurred during military service, in regard to which he may desire to claim pension;
- (c) That no member of an Appeal Board of the Commission shall adjudicate upon any case coming before an Appeal Board pursuant to the provisions of this section, if such member has previously sat as a member of the Commission at any hearing of such case, as herein provided, unless the applicant's consent thereto has first been obtained.

(6) Upon request of an applicant for an Appeal Board hearing the Commission shall notify the Veterans' Bureau accordingly and the Veterans' Bureau shall thereupon prepare a summary of all available evidence relating to the claim and shall mail a copy of the same to the applicant, or to such representative as he may direct; provided, however, that where the applicant is suffering from a neuropsychiatric disease it shall be within the discretion of the Chief Pensions Advocate whether the summary of evidence be furnished to the applicant.

31. Section sixty-two of the said Act, as enacted by section fourteen of chapter thirty-five of the statutes of 1930 is repealed and the following substituted therefor:—

62. Notwithstanding anything in this Act, or any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

32. Section sixty-seven of the said Act, as enacted by section twenty-two of chapter twenty-three of the statutes of 1940-41, is repealed and the following substituted therefor:—

67. Notwithstanding anything contained in this or any other Act, no pension or additional pension, awardable or payable under the provisions of this Act, shall be awarded or paid,

- (a) in respect of service during World War I, under Schedule A or Schedule B to this Act, to or in respect of any child of a member of the forces or pensioner if such child shall have been born on or after the first day of May, 1944;
- (b) in respect of service during World War I, under Schedule A to this Act, to or in respect of the wife of a member of the forces or pensioner, if she shall have been married to him on or after the date aforementioned, unless there is a minor child or there are minor children



of the pensioner of pensionable age born of a previous marriage prior to the said date and the said wife assumes the household duties and care of such child or children, when additional pension for a married member of the forces may, in the discretion of the Commission, be awarded or paid during the time such child or children are of pensionable age:

33. The said Act is further amended by adding thereto the following section:—

68. When provision is made in this Act for members of the forces, such provision shall be deemed to include female members of the forces and members of the Canadian Women's Army Corps, except as otherwise expressly enacted in this Act: provided that any payment or additional payment authorized for any period prior to the tenth day of January, 1945, in respect of female members of the forces shall be at the rates previously prescribed by the Governor in Council."

## MINUTES OF PROCEEDINGS

TUESDAY, June 11, 1946.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. W. A. Tucker, presiding.

*Members present:* Messrs: Adamson, Archibald, Baker, Bentley, Blair, Brooks, Cockeram, Croll, Cruickshank, Dion (*Lake St. John-Roberval*), Drope, Emmerson, Gillis, Harkness, Harris (*Grey-Bruce*), Herridge, Jutras, Langlois, Lennard, Marshall, MacNaught, McKay, Moore, Mutch, Quelch, Sinclair (*Vancouver North*), Tucker, Viau, Winters.

*In attendance:* Mr. T. L. Church, M.P.; Mr. F. J. G. Garneau, O.B.E., Chairman, War Veterans' Allowance Board; Mr. W. S. Woods, Deputy Minister, and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs; Rev. J. Herbison, representing the Veterans of Two Great Wars.

The Committee proceeded to consideration of a draft of a proposed bill respecting allowances for war veterans and dependents.

Mr. Church was called, heard and retired.

The Chairman tabled a copy of a draft of a proposed bill respecting veterans of forces allied with Canada, copies of which were ordered to be distributed to members of the committee.

The Chairman read a letter from the Chairman of the Canadian Pension Commission regarding certain cases cited at previous meetings of the committee.

Rev. Mr. Herbison was called, presented a brief on behalf of the Veterans of Two Great Wars, was questioned thereon and retired.

Rev. Mr. Herbison filed a chart relating to dual service soldiers.

Mr. Garneau was recalled, heard and questioned.

Mr. Woods was recalled and questioned.

Clause one, paragraphs (a), (c), (e), (f), (g), (h), and sub-paragraphs (i), (ii) of paragraph (i), sub-paragraphs (i) and (ii) of paragraph (j) and paragraph (k) of clause two and sub-clause (1), (2), (3), (4), (5), (7), (8), (9) and (11) of clause four were adopted without amendment.

At 1.00 o'clock p.m., the Committee adjourned until Thursday, June 13, at 11.00 o'clock a.m.

A. L. BURGESS,  
*Clerk of the Committee.*





## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 11, 1946.

The Special Committee on Veterans' Affairs met this day at 11 o'clock a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: We have with us today one of our colleagues in the House, Mr. Church, and he would like to make a short presentation. After that we have a gentleman from Edmonton whom I will introduce to the committee after Mr. Church has made his presentation. I will now call on Mr. Church.

Mr. T. L. CHURCH: Mr. Chairman, I do not wish to detain the committee for more than three or four minutes. I am back here again, where I was 20 years ago before a veterans' committee to plead the case of those of the North West Field Force, who in 1885 marched across from Lake Superior, in the depths of winter in the snow when it was 40 degrees or 45 degrees below zero, and saved that country from dislocation during the Riel rebellion. They got practically nothing. Remember this, an amendment was passed Part I, "Veteran" defined, the 1885 and South African veterans, I think at the last session, but they had to apply a means test to those who got this pittance, and it was the meanest thing that I think I have ever seen. This committee here is one committee of ours that I think is doing something in a practical way for the soldiers. Many of you know them. I know in my own city in a few cases they have had to pass the hat around for some of the less fortunate. All they have got up to date was this small amendment. They got a grant of land away off some place in the northwest that the vast majority of them never even saw. In fact I know of 8 or 10 who never got anything. We have discussed some suitable aid for the 1885 volunteers for several years here; and the minister, Mr. Mackenzie, after some work he did, got an order in council passed which is now I think included in part I on page 4, allowances payable to a veteran; which will include any former member of the North West Field Force, but not his widow or family.

4. In this part, unless the context requires "veteran" means (a) any former member of the Northwest Field Force who served in a theatre of actual war in the Northwest Rebellion.

Many of these men have departed this life. That was in 1885. They had their 60th anniversary last June. The condition of some of these people in the Toronto district is most unfortunate. I mentioned a letter the other day on the old age pension debate in the house in connection with it. I do not want the name used. She is the widow of a former member of the press who was one of some with Sir John A. when he died. She thought she was entitled to a pension. He wrote a historical column in a newspaper for years. I do not suppose that will be on the record. I would not like to see it on the record. But I have a letter from her which I will read without the name. She got \$29 a month from the old age pension fund. She would be entitled to about \$38 if she was qualified for the veterans' allowance under this amended section of last session, but it was under this that she was disqualified from getting anything from the Northwest Field Force fund because she got a miserable pension and they applied the means test. They applied the means test to this small grant. While this committee in this parliament has nothing to do with old age pensions, I never saw such

a mean proceeding. Many of these men are in destitute and not very good financial circumstances. They were from 1885 on the backbone of the militia and even in the South African War and in the two great wars. Their grandchildren and some of their great-grandchildren served in the present war. What I am asking for this morning is this, Mr. Chairman, that there shall be a study made of this problem, a study concerning the number who are still living, and their wives and families needs; secondly the number who receive anything; and, thirdly, the means test and the effect of the means test, which causes them in some cases to seek charity and that is all it is. I am asking before you close this committee that there should be a study made to see what can be done for these people because we have not got many. There is only a small percentage who can qualify under the order in council and when they send investigators up to see them they would tell them if they were 20 years older they would get nothing as they must be in need or on charity. There are a large number in the maritime provinces, the old Haligonians. I had a survey made, and many of them are living yet. They were largely from the Toronto district and Ontario, from the maritimes, and from Winnipeg and Quebec, who marched across there before the C.P.R. was constructed, around White River and those places, at 45 degrees below zero. I do hope something will be done, because these few that are left, their families and their widows, have a grievance. It is very shabby treatment that they have received. I know that in our city we have had these people come to the city hall and urge legislation, and what could we do for them? We tried to get something for them, but nothing was done. I do hope you will have a study made showing the list of veterans left, that you will abolish and give them all this as aright and not as charity. That all get it as a right, not as a privilege.

Thank you, Mr. Chairman and gentlemen.

The CHAIRMAN: Thank you, Mr. Church.

We will be distributing this morning the draft of a proposed bill respecting the veterans of forces allied with Canada. Just before I call on Captain Herbison from Edmonton, I think I should read to the committee a letter which I have received from Brigadier Melville, Chairman of the Canadian Pension Commission, which refers to the application of the insurance principle and to a couple of cases mentioned in the course of the hearings, to which he felt he should refer in order to make the record complete. The letter, which is addressed to myself as Chairman of the committee, reads as follows:

June 11, 1946.

DEAR MR. TUCKER,—Many of the members will be receiving enquiries regarding the restoration of the insurance principle and unfortunately time and the opportunity did not permit me to make a statement when the Pension Act was being considered. I reported earlier to the committee that the commission was giving preferred attention to the claims of dependents who were in receipt of awards under section 11 (3) and the following has been accomplished.

663 awards to dependents were in effect at the date of the restoration of the insurance principle. Of these the commission has reviewed 593 and these have been approved and passed to the Chief Treasury Officer to implement payment at the schedule rates. These are awards to widows, children and parents and by the completion of the review before the 8th instant the June cheque (being the month from which the increased rate was effective) will be at the increased rate. The balance of the files are out on charge and will be actively dealt with.

With regard tho disability cases, a large number have been reviewed as all the commissioners are in Ottawa and concentrating on dealing with

the implementation of the benefits arising out of the new procedure. I will report more fully at a later date in this regard.

There are two statements on record and I am sure the members concerned would be anxious that the record of the proceedings of the committee should be complete.

- (a) On page 51 there is a statement by Dr. Blair, M.P., regarding the case of a member of the forces who developed an umbilical hernia and he stated "when it came to the question of pension, it was ruled that this was congenital; that is, that it had existed since birth, that there must have been a weakness since birth."

This is the case of Gunner S. and when his case was reviewed by the commission following upon the receipt of the proceedings of the medical board completed on his discharge the commission ruled:—

UMBILICAL HERNIA—Incurred during service but not pensionable because it did not arise out of nor was it directly connected with service.

The case came forward for a second hearing when the above decision was confirmed and on the 23rd September, 1942, he appeared before an appeal board of the commission sitting in Ottawa. That appeal board was obviously impressed with the credibility of the witness and granted entitlement as it arose out of service. In this particular case therefore:—

- (1) the commission at no time ruled or said the condition was of pre-enlistment origin;
  - (2) the first decision ruled the hernia as incurred during service and he therefore would have been pensionable when the insurance principle went into effect;
  - (3) he was granted entitlement for the hernia as of right.
- (b) The next case will be found on page 828 of the proceedings and was quoted by Mr. Bentley.

On a review of the file I find the following *initial* decision was rendered in the case of this airman:—

RESIDUAL POLYARTHRITIS FOLLOWING SCARLET FEVER—Incurred during and arose out of service in Canada—Award effective from date of discharge.

Following upon this he was examined and pension is in payment for the degree of pensionable disability which was found at the time of examination.

In both of these I wish to express my appreciation to the members for bringing them to my attention and allowing me the opportunity for a personal review and I have advised them fully in writing in that regard.

Yours faithfully,

J. L. MELVILLE,  
*Chairman.*

MR. BROOKS: Mr. Chairman, might I ask this? There is no implication that, because those two particular cases were brought up here, they have received special attention?

THE CHAIRMAN: Oh, no.

MR. BROOKS: And that other similar cases would not be dealt with in the same way?



The CHAIRMAN: No. I am glad you mentioned that. The reason they are mentioned here is that they were mentioned in the course of the proceedings, and the chairman felt that the record was not complete unless he explained what had happened in those cases.

Mr. BROOKS: It is just to complete the record?

The CHAIRMAN: Yes, that is all. I think the committee would want me to say that if time had permitted at the conclusion of our hearings on the Pension Act, we would have wished to express our appreciation to the Chairman of the Canadian Pension Commission, Brigadier Melville, for his really great assistance to us in the work we did. I should like to express that appreciation now so that it will appear in the record, and say that we do appreciate very much the assistance he gave us.

Some Hon. MEMBERS: Hear, hear.

The CHAIRMAN: And the willing way in which he brought forward all the information that he was asked for.

We have with us to-day—and as Chairman of the committee I thought we would defer hearing from Colonel Garneau in regard to the Act until we hear from him—Captain Herbison, who is here to give us a submission on behalf of the Veterans of Two Wars. Captain Herbison is from Edmonton and I thought that we had better hear from him so that we would not require him to stay over until Thursday in case the submission of Colonel Garneau took the whole morning. So I will now call on Captain Herbison to make his presentation to the committee.

### **Captain The Rev. J. Herbison, called.**

The WITNESS: Mr. Chairman and gentlemen, I should like to say first of all that I appreciate very much the opportunity of appearing before this committee on Veterans Affairs and of saying a word on behalf of the Veterans of Two Wars. I should like also to say that the Veterans of Two Wars appreciate greatly the pension acts that have been passed, the plans for the rehabilitation of the personnel of the fighting forces, and they would have me congratulate on and thank this committee for their endeavours.

I am sorry that the notice I received of coming to Ottawa was so short that I did not have the opportunity of preparing a typewritten brief which I could present, so I want to speak particularly along the lines that have been set out on the submissions which I understand have come to the members of this committee. This brief has been prepared by members particularly of the Veterans Guard of Canada and it is entitled "A submission Advocating a Pension for the Veterans of Two Wars". This submission begins by saying it is desired at the outset to express the view that any country which aims at the target of full social security for its people must endeavour to see to it that its citizens have a standard of living well above the subsistence level. This can be attempted in many ways, e.g., full employment brought about by encouragement of private industry, initiation of public works, minimum wages legislation, rehabilitation policy for ex-servicemen, etc.

It is felt, however, that there are certain classes of people who cannot be assisted to obtain a standard of living above or even equal to bare subsistence by ordinary processes, and amongst these are the Veterans of Two Wars, with whom this submission concerns itself. It is therefore proposed to deal with the question of what should be done for these men under various headings.

Why are veterans of two wars entitled to any particular consideration over and above that accorded to civilians in the same age groups?

First of all, it is felt that the answer to this question will readily suggest itself to any person who has given the matter adequate thought. The vast

majority of these men have twice in a lifetime, first in youth and again in middle age, been called to the colours to serve the country in its hour of need. As youths, their normal preparation to take their places in the economy of the country and earn a day by day living, whilst making provision for old age, was seriously interfered with over a term of years, and the time which should have been spent in apprenticeship, university or technical school, was spent in trenches, or lines of communication, learning the arts of destruction rather than construction. After the war of 1914-18 when recovering from the effects of the lost years, they were faced with a most disastrous economic depression, for which they at least could not be blamed. When more or less re-established, along came the war of 1939-45 and these veterans again were called to the colours. Now that the immediate urgency of war is over, the veterans of two wars are trying to readjust themselves. These men are now past middle age. The vast majority need assistance on discharge unless they can obtain work at adequate remuneration.

Mr. Chairman, I have a chart which was prepared with the permission of Brigadier Harvey in M.D. 13. (See Appendix "A"). This chart was made from questionnaires that were submitted to and answered by 146 officers, and 2,200 other ranks who were serving in the Veterans Guard of Canada. According to this chart, 36 per cent of the veterans of two wars fell between the ages of 45 and 49. Incidentally, this chart was made one year ago. 37 per cent of these men fell between the ages of 30 and 55 years of age. In other words, 73 per cent of the veterans of two wars fell between the age groups of 45 and 55. 20 per cent of them fell between the ages of 55 and 60 and 7 per cent of them were over 60 years of age. In those same groups the medical status of these men show that, according to army status, 23 per cent had 1s on their Pulhems; 23 per cent had 2s on their pulhems; 24 per cent had 3s on their Pulhems; 30 per cent of these men had 4s on their Pulhems. I need only suggest to this committee that men falling between the ages of 45 to 60, and with 30 per cent of them having 4s on their Pulhems, would not be considered first class soldiers ready for action, nor would they be considered good material to place on the labour market in competition with the younger veterans of this war.

Their physical condition, due to advanced years, will make it impossible for them to compete on the market; and worse still, their mental processes have slowed down to a point where to try and compete with the younger generation would be hopeless. Nor is it desirous that these men should be seeking employment when such desperate efforts will be needed to find employment for veterans and ex-war workers of the 1939-45 war. These men have given some of the very best years of their lives to the service of Canada; their families have lived on bare subsistence rates while they were serving, and in return the people they have served so faithfully now definitely owe them a pension for services rendered.

Who should be eligible? It has been laid down in the Act as to the classifications of men who will receive this pension. The important question that I want to ask is, does the present dual service Pension Act answer the requirements of the case of these men?

It is felt that the legislation known as the dual service pension act is, if it is intended to convey the meaning that the award made thereunder is a pension, a complete misnomer. A pension is defined in many different ways by standard dictionaries, but in all cases the meaning amounts to the same thing, namely, "an award for services rendered." The "means test" attached to the so-called dual pension act immediately removes it from being an award for services rendered, and makes it a charitable or compassionate allowance, a very different thing indeed. Furthermore, the dual pension act seems to imply that a proper standard of living for a married veteran of two wars is about \$70



a month. A precedent has been sought for the practice of attaching a means test to a pension in Canada and with the exception of the old age pension, one cannot be readily found. Thousands of veterans have been consulted on this point, and their many resolutions and opinions given to education and rehabilitation officers show the extreme bitterness which they feel at being awarded a compensation for what they have lost by service to Canada, which they can only regard in the light of bearing the stigma of charity.

With regard to the means test, there is no means test when a young man joins the permanent forces and serves his 20 years in comparative comfort compared with the service of the dual service veteran. The R.C.M.P. are also in this class. With regard to the service of dual service veterans, 54 per cent have 8½ years active service, while the percentage of service for all ranks of the Veterans Guard of Canada is 7.76 years. This chart which I referred to previously gives us a breakdown of army service, the total years of service for both wars. 38 per cent of the veterans of two wars have served 7 and 8 years; 19 per cent served 7 years; 19 per cent served 8 years; 15 per cent of them served 9 years; 11 per cent of them served 7 years; 6 per cent of them served 4 years; 2 per cent of them served 1 year; 2 per cent of them served over 12 years.

As I pointed out, the ages of the dual pension veterans run from 45 to well over 60; 93 per cent are now 46 to 60 years of age and the remainder are over 60 years of age. Industry does not subject employees to the means test; and we feel that the dual service veteran has invested 50 per cent of his working life in the service of his country while his civilian employment in the case of 71 per cent was of non-pensionable types. Thirty-six per cent were common labourers and 35 per cent were farmers, and therefore they do not qualify under any civilian pension scheme.

The dual service veterans ask that the amount of the pension be raised. They ask that the means test be eliminated. They are quite willing that, should the means test be eliminated and should the amount of pension granted to them together with any casual earnings available to them, bring them into the income tax bracket, that they be taxed. That is to say, where a soldier is receiving a pension, the amount of that pension is not computed for the purpose of income tax; it is not taxable. But the veteran of two wars is willing, should the amount of pension bring him within the taxable bracket, that tax should be imposed.

The prospects for employment of the dual service veterans are not good. According to this chart, Mr. Chairman, 79 per cent of these men—bearing in mind 73 per cent of the men run between the ages of 45 and 60—had no job whatever to which they could return upon their discharge from the army. There were 79 per cent in that position. Seventy-one per cent of them had no definite plans for the future. Fifty-two per cent of these men were not physically capable of returning to manual labour. I think that will be borne out by the medical status of the men which I quoted a few moments ago. Twenty-four per cent of these men are capable, with reservations—that would be reservations as to the length of hours and the type of work—are capable of engaging in industry. Men in these age groups, with these physical categories, are quite incapable of competing with the young veteran who has received his skilled training in the service. Any endeavours of government to provide employment for the dual service veteran must be made with the knowledge that, after years of service away from their homes, these men have no desire to be sent to points far removed from their districts in order to receive employment. Provision must be made for them where they live. The provisions made by the government for the rehabilitation of veterans were prepared largely for rehabilitating the veterans of this last war, and the dual service veteran recognizes that they are most adequate. But the best features of the pension acts are not applicable to the dual service veteran due to his advanced age. There is the matter of



the maintenance and education of the children of the dual service veteran. Of the 2,000 interviewed, it was found that 220 children were under the age of 6 years; 660 under the age of 11 years and that 1,400 were under 17 years of age. This presents a difficult problem for the veteran who is now unemployable.

Mr. Chairman and gentlemen, those briefly are the facts that I would like to put before you; and I would ask you to give careful consideration, earnest consideration, indeed sympathetic consideration, to the veterans of two wars. When you consider their dual service pension, will you think of their age? Will you think of their disabilities? Will you think of the difficulties they will have in re-establishing themselves in gainful occupations, bearing in mind that even to-day, employers of labour are not particularly interested in men of even 40 years of age. These men are well beyond that age. Will you consider the elimination of the means test in order that the dual service pensioner may be enabled to make such addition to the pension to which he is entitled as will enable him to receive at least some little luxuries in his later years in recognition of the services that he has given? Will you consider also the possibilities of increasing the amount of pension payable to a single man to a minimum of \$40 a month? Would you consider the possibilities of increasing the pension to the married veterans of two wars to the same amount, plus the existing dependents allowances payable to men in the service? Those, Mr. Chairman, are the submissions that I would make on behalf of the veterans of two wars. If it is your wish, sir, I will try to put what I have said briefly in typewritten form, in order that you may have a copy of it for your records. Thank you very much.

Mr. CROLL: We will have that anyway. It is in the record.

The CHAIRMAN: Yes.

The WITNESS: But where I have diverted from the printed text.

Mr. CROLL: It is still in the record.

Mr. Mutch: Anything you said can be used against you subsequently.

The WITNESS: Do not hold it too hard against me.

The CHAIRMAN: Would any members of the committee like to ask Captain Herbison any questions?

*By Mr. Brooks:*

Q. I should like to ask Captain Herbison this. Does he recommend that a pension be paid irrespective of the age of the veteran?—A. Yes, sir. I am glad you asked that. I meant to say that. As a pension, we feel that the pension should be payable at the time of discharge and we would so submit, sir.

The CHAIRMAN: Are there any other questions?

*By Mr. Mutch:*

Q. Yes. You were speaking of pension generally. Do you not think it would be more accurate, in the case of the dual service pension, to regard the dual service pension in the sense of being compensation rather than a pension? The concept of a pension which most of us have—dealing with disability pensioners, of course—is compensation for injury. This is in a little different sense. It is compensation for loss of time, loss of opportunity. Is it your thought that it should be regarded as a reward rather than compensation? I took that from what you said.—A. Yes. I think I would favour that being regarded in the light of a pension.

Q. What kind of a pension? There are two kinds.—A. I am thinking of a service pension.

*By Mr. Brooks:*

Q. You mentioned the permanent forces and the mounted police.—A. Yes.

Q. The same type of pension as that?—A. The same type of pension. As I see the point with regard to the permanent force men and the R.C.M.P., that is their life work and they are contributing during their service in the forces towards their pension. The civilian-soldier of two wars engages as a soldier in two wars. During that time he has no opportunity to build up for himself any estate for the future. Neither is he contributing to any pension plan. I think it is generally understood that the government recognized at the close of the last war that men with, say, four or five years of active service had physically increased their age by approximately ten years. So we have to bear the age of these men in mind. I think the age of these men is showing up in their categories. I venture to say, gentlemen, that with the average age of these veterans of two wars, insurance companies would say that their expectancy of life would be anywhere from ten to fifteen years. In other words, this pension that the dual service veteran asks for would be practically non-existent or non-payable at the end of 15 years; and at the rate these veterans are dying off at the present moment, I would say that within five years—and I make this guess as a layman—the numbers of dual service veterans would be reduced by at least 25 per cent.

*By Mr. Emmerson:*

Q. As I understand it, you are advocating a service pension for all veterans of both wars?—A. Of both wars.

Q. Regardless of their circumstances?—A. Regardless of their circumstances.

Q. Yes.—A. It is a service pension.

Q. You will recognize that there are quite a number who are re-employed on the old jobs from which they enlisted?—A. Yes.

Q. Those men are to get that?—A. Yes. I say that with this in mind. If they are employed in gainful employment, should the pension granted bring them within the income bracket, a certain income bracket, that pension would be taxable.

*By Mr. Mutch:*

Q. Would you distinguish then between a service pension and a disability pension for income tax?—A. Yes. I would suggest that where a veteran of two wars is receiving a pension, a disability pension from the last war, that cannot be taxed; but any dual service pension that should bring him within a taxable bracket, would be taxed.

*By Mr. Quelch:*

Q. Would you advocate that that be paid to one who is in His Majesty's forces or only in the Canadian forces provided he was domiciled in Canada previously?—A. I made enquiry yesterday and I was given to understand that this Act has been amended to include Imperials.

Q. Of the first war, but not of the second war, as far as dual allowance is concerned, unless there is going to be an amendment to this proposed bill.

The CHAIRMAN: It only includes Imperials who were domiciled in Canada when they entered the army in the first war.

The WITNESS: Well, that was the question that I asked a member of the House yesterday, and as they say in the army, "no names, no pack drill". I was under the impression that Imperial veterans were to be included; that is, the soldier who served in the Imperial army, who was resident in the United Kingdom previous to 1914, served in the Imperial army and then came to Canada before 1930. I understood that he was to be included in the meaning of the Act.

The CHAIRMAN: That was the suggestion of the Canadian Legion, but there is no provision for that in the bill. The only people that are covered are

those that were domiciled in Canada at the time they entered the Imperial army.

The WITNESS: Well, I would certainly submit—and I have the authority to submit—that the dual service pension act be so amended as to include the Imperial veteran who came to this country and veterans of the allied nations who came to this country previous to 1930.

*By Mr. Winters:*

Q. Do you advocate, Captain Herbison, that this pension should be paid regardless of where the veteran served?—A. Of where he settled?

Q. Where he served.—A. Yes. I think that here we have a case of men who were willing, and who have shown by their attestation that they were willing, to serve outside of the Dominion of Canada. They signed for general service and through no fault of their own were made to serve here particularly in Canada. So I should like to submit that, when you consider the number of Veterans Guards who were employed in our internment camps. I believe that altogether there have been approximately 34,000 veterans of two wars who have served in this war. I believe that of that 34,000, 18,000 of them have passed through the ranks of the Veterans Guard of Canada. I submit, Mr. Chairman and gentlemen, that had those veterans who are now veterans of two wars, not come into the Veterans Guard of Canada—and I speak of them particularly—the government would, of necessity, have had to train 18,000 young men to guard the prisoners of war in this country. I venture to say that the amount of money that it cost to train a soldier is considerable. I might hazard a guess at \$5,000 to \$7,000 per capita. I may be high, but I would hazard that guess.

Mr. MUTCH: About \$2,500.

The WITNESS: You say \$2,500. Well, let us say \$3,000. We will include war tax in that. We will put it at \$3,000 and you have 18,000 Veterans Guard. That would cost a lot of money to train young soldiers. Apart from the monetary cost, you would also have the necessity of taking 18,000 men, active soldiers, out of the front line in France or in Italy or Holland.

Mr. BROOKS: We had a lot in Canada.

The WITNESS: Yes. I was speaking, sir, of soldiers.

Mr. CROLL: Oh, oh.

The WITNESS: I take it that you were referring to non-active soldiers.

The CHAIRMAN: Are there any other questions? I may say that Captain Herbison wished to have some figures and statistics presented by the Department of National Defence. I have promised to ask the Department of National Defence to prepare those figures which he wishes to have, for submission to the committee.

If there is nothing more, I want to thank you, Captain Herbison for your submission. I wish to assure you that it will be given consideration.

The WITNESS: It will not be necessary for me to wait around? I am all through?

The CHAIRMAN: Yes, unless there is anything else you wish to say. A record has been made of everything you have said and will be printed and circulated.

The WITNESS: Mr. Chairman and gentlemen, I just want to thank you most sincerely for hearing me this morning on behalf of the Veterans of Two Wars. I appreciate that opportunity very much. Thank you.

Mr. GILLIS: Mr. Chairman, before Captain Herbison goes, I should like to make a few observations. I am surprised that some of the government members have not made them before. I listened to Captain Herbison with a



great deal of attention—and I want to say that it is not the first time I have heard the story—and I echo his sentiments under present circumstances. I draw this to the attention of the committee, and I did in 1940 when the previous committee sat. Because of a lack of social security measures in this country, the tendency is to dump everything into the Department of Veterans' Affairs. I have said this a good many times, that you cannot make any one section of our society healthy unless the whole economy of the country is healthy. To take every social security measure that exists in this country and to attempt to relate it to war service is, in my opinion, doing a disservice to the veteran who really is suffering from service disabilities and is legitimately entitled to something. You will remember back in the thirties, on many occasions the press came out with the bill that the Canadian taxpayers were paying to the soldiers in this country. That bill is magnified a thousand per cent during this war. While I agree with the padre that something should be done with regard to the rehabilitation of the servicemen of two wars, I believe that, rather than the serviceman of both wars being a charge upon the veterans' affairs organization exclusively, it really belongs to another section, namely a social security measure that would embody adequate old age pensions, retiring pensions and superannuation schemes established by the industrialists or manufacturers of this country; because, in my opinion, the old soldier who came back in 1918 or 1919, and then spent the next 26 years in some industry of this country, is suffering to-day more from disabilities received because of the heavy employment than he is from war service. I think if we continue to try to unload a measure that really belongs to some other section on the Department of Veterans Affairs, we are going to find ourselves, in a very short time, in the position of having the taxpayers of Canada screaming to high heaven that the bill to look after the soldiers and their dependents is away out of proportion, and that is something we have to consider.

Mr. BROOKS: May I ask a question there, Mr. Gillis? Under the social security that you are recommending, would not the people of the country have to pay anyway?

Mr. GILLIS: Not necessarily.

Mr. BROOKS: Whether they put through this or not?

Mr. GILLIS: Not necessarily. The government certainly would make its contribution, but it should not be expected to make it all. For example, take the mining industry in this country, where the average miner employed underground is susceptible to all kinds of industrial diseases, break-downs and premature ageing from hard work. Why have they not a superannuation scheme in the mining industry in this country, on a contributory basis?

Mr. CROLL: "Welfare fund" is the word now.

Mr. GILLIS: Well, you can call it a welfare fund if you like. John L. Lewis is fighting for it in the United States to-day. The industries of this country should make a proportionate contribution with the government and with the employee against the time when the man is ready for the scrap heap. The steel industry should have the same thing. I think that every employer in this country should have it, rather than waiting, as they have for the last 75 years, for a man to wear himself out in service and then when he is no longer of any service to them, throw him on the scrap heap and say he is the responsibility of somebody else. These men like the padre and like ourselves here, who are sympathetic to the argument he advanced this morning, are obliged—because of the lack of any co-ordinated scheme of social security in this country on a contributory basis—to try to relate it to this veterans' affairs department; and in my opinion, it is not going to get the consideration there that it should, judging from our experience in this committee since it has been sitting. You have got the Treasury Board to face; and regardless of how willing we are

here, they make an analysis of these problems on a basis of dollars and cents. I just wanted to say that because I believe we should be thinking along these lines. I will support the padre until such time as the government of this country are prepared to get together with industry and all those who make profits and exploit the human being in this country, and are prepared to do something for him when he is no longer productive to them.

Mr. BROOKS: You are not suggesting that we deal with that in this committee, are you?

Mr. GILLIS: Well, it is in this committee. There is no other committee handling it. The problem has been passed on to us.

Mr. BROOKS: We are dealing with veterans' affairs.

Mr. GILLIS: As I said a moment ago, in the case of the old soldier who spent 20 years in some industry sweating out profits for somebody else rather than trying to relate it now to service disabilities and pension him on that basis, we should force these people to recognize their obligations to these men who not only fought two wars to defend the institutions of this country but who contributed most of their lives to sweating profits out for them in most of the heavy industries across the country.

Mr. Mutch: Mr. Chairman, even if I agreed with everything that Mr. Gillis has said—and I do not, although I am agreeing to some of it—I think this committee ought to bear in mind that he is discussing something for the veterans of the next war, actually. If anything is to be done for these men on whose behalf the padre has spoken to-day, it will have to come through the method which he has suggested, because they are away for a long period of time from whatever civilian employment they had and whatever civilian disability they incurred is hardly accessible or taxable on the industries for whom they laboured during those 26 years. Actually, as far as this specific body of men is concerned, if they are to get anything under our present set-up, they must get it through some government regulation presumably emanating from the Department of Veterans Affairs. Consequently, while it is interesting, and much that Mr. Gillis has said would strike a sympathetic note in the mind of anyone who is social security minded—and probably most people are in varying degrees—the real immediate problem is the problem of 34,000 men who have been, for varying periods of time, out of industry; many of them were for a considerable part of that period unemployed during this 26 years—far too many of them. Their problem is an immediate and pressing one which cannot be raised anywhere else than in this committee.

Mr. CRUICKSHANK: Mr. Chairman, I would like to say a word or two here, because we socialists stand together.

Mr. GILLIS: Thank you, Mr. Cruickshank.

Mr. CRUICKSHANK: Here is what I think Mr. Gillis was trying to bring out. Every member of this committee is sympathetic with the padre, but I think Mr. Brooks did not quite understand the point that Mr. Gillis was trying to make. Three times the minister mentioned in the last week—and he quoted figures—the tremendous amounts of money the taxpayers of Canada were called upon at the present time to provide for soldiers' affairs such as pensions, etc. I am not quarrelling with the figures he quoted. I do not think we could spend too much. I do not think we are spending half enough. But I want to point out—and I think this is what Mr. Gillis wants to bring out—that the public at large, if other departments of government slough everything off to the Department of Veterans Affairs, will say, "Look what we are doing for our soldiers." Everybody is sympathetic with the padre's plan. I do not know exactly what his plan is, but it is to give something to the veterans of both wars. But I agree with Mr. Gillis that to the public at large we should not appear to assume



responsibilities that are the responsibilities of Canada, so it will be said, "Oh, this is what we are doing for the veterans; look at the tremendous cost there is for the soldiers of Canada." We should not expect, in our estimates, to cover legitimate charges that should go elsewhere.

Mr. GILLIS: I should like to point this out to Mr. Mutch. As far as I am concerned, I am quite prepared to support 100 per cent the recommendations made by the padre this morning. But at the same time I think somebody should sound a note of warning that you are going to overload this thing.

Mr. QUELCH: Mr. Chairman, I should like to say this. If an adequate scale of services were being made available to all classes in Canada from the cradle to the grave, there is no doubt that our problems in this committee would be reduced considerably. But there is no likelihood that, in the near future, that is going to happen. Even if industry took on the responsibility of looking after their own employees, you would still have the problem of around 25 per cent to 30 per cent of the population engaged in agriculture who would not be covered by that. It would also cover the problem of the transit workers who would not be covered by anything such as was suggested by Mr. Gillis. Therefore we have, whether we like it or not, this problem on our doorstep; and we will have it for a great number of years, I think.

In so far as the submission by the padre is concerned, I think, generally speaking, I can agree with his proposal. I should also like to stress the point made by Mr. Gillis, that the final decision does not rest with this committee. I think probably we have the most aggressive and most sympathetic committee sitting now that we have ever had sitting in this House; at least in the past few years. But we can make recommendations and we can amend these draft bills; but once we have completed the amending of these bills, we will then be told by the government how far they are prepared to go. And no matter what our amendments may be, unless the minister can agree with those amendments, they will not be submitted to the House. I just wanted to point that out. I do not want the suggestion to go out that whatever amendments we pass in this committee will be the ones submitted to the House. They may never reach the House at all.

Mr. BROOKS: Mr. Chairman, I just want to say that I think I understand fairly well what Mr. Gillis has been recommending, in spite of Mr. Cruickshank's judgment of me in that regard. If his suggestion had been started 20 years ago, these men would now no doubt be in a position to receive some benefit from it. But we have to face the situation as we find it to-day. Here we have men between 45 and 60 years of age, who have served in two wars, who have passed through a depression, as the padre has said, and there is no provision made for them. Then again, speaking of the men who were working during the past war, we all know that the men who were working in industries, in the mines and in the factories, received big wages, four and five times as much money as did the Veterans Guard and the men who were in the army. So I think their case is entirely different. As I said a moment ago, if we had thought of Mr. Gillis' suggestion perhaps 20 years ago and had a very large fund with which to look after these men, the situation would be entirely different. I am in entire sympathy with the representation made by the padre here this morning; and I think it is the only way in which these men can be properly and adequately looked after. It is all right to talk about what should have been contributed and what we should do in the future.

Mr. GILLIS: This was recommended 30 years ago.

Mr. BROOKS: But there was nothing done. What is the good of a recommendation that has never been acted on? We sit here day after day in this committee and in the House and listen to a lot of theory, but theory does not look after people or protect them in any way. We have here a problem which



must have a practical solution; and to my mind the only practical solution is the way which has been recommended here this morning.

Mr. ADAMSON: Mr. Chairman, I should like to correct one slight error which I think Mr. Gillis made in connection with the mining industry. Several of the mines do have pension schemes, particularly International Nickel. It has had one for many years.

Mr. CRUICKSHANK: Mr. Chairman, both Mr. Gillis and the present speaker are out of order. Let us talk about soldiers.

Mr. ADAMSON: I merely wanted to correct something which was not quite accurate.

The CHAIRMAN: I think what Mr. Gillis had in mind is something that this committee has always to bear in mind. Our first duty is to serve the soldier and particularly the man who was injured overseas or while he served, and his orphans and his dependents. We have always got to bear in mind that if we begin to try to compensate a man who did not suffer by his service, we are liable to do it at the expense of the man who did suffer by his service, and of his dependents and orphans. I have a great deal of sympathy for a lot that Mr. Gillis has said, but we have always got to bear that in mind.

Mr. HERRIDGE: Mr. Chairman, I just want to say that I agree with Mr. Gillis' proposals and his general sentiments in this respect, but I think at this stage they are somewhat academic. They have been for a good many years. Personally I am very much in favour of doing something along the lines suggested by the padre. I want to leave this thought with the committee, that if we are able to come to some conclusions along the lines recommended by the padre and make a recommendation to the government, then persuade the government to take action in this respect, do you not think we are then doing something that will ultimately assist in creating a tremendous amount of interest in the need for the very social security measures that Mr. Gillis has mentioned? I think it might even be considered as the spearhead of that attack.

The CHAIRMAN: I think, gentlemen, with your permission we will hear Colonel Garneau's introductory statement before we actually proceed with consideration of the bill.

Mr. WINTERS: What bill is this, Mr. Chairman?

The CHAIRMAN: The war veterans' allowance bill. It has been circulated and you have all had a chance to study it.

### **Colonel F. J. G. Garneau, Chairman, War Veterans' Allowance Board, called.**

The WITNESS: Mr. Chairman and gentlemen, as a preamble to the war veterans' allowance bill, it was suggested that a brief thumbnail sketch of the history of the War Veterans' Allowance Act since its beginning, might be of some interest at the start of your deliberations. With your permission, therefore, I wish to present the following résumé of the history of the Act.

The War Veterans' Allowance Act was originally passed by parliament in June 1930. It came into effect on the 1st day of September 1930.

This legislation is intended to provide for the maintenance of the aged or incapacitated veteran who, in either case, is no longer able to provide for his maintenance, or that of his family, and is in necessitous circumstances. The Act was originally administered by what was then known as a "Committee" comprising a Chairman and two Members.

In 1936, amendments were introduced in the War Veterans' Allowance Act. The "Committee" was changed to "Board" and the field of eligibility of the recipients, on grounds of incapacity, was enlarged to take care of the

veteran who, having served in a theatre of actual war, had attained the age of fifty-five years and could be considered incapable of maintaining himself because of disability, preaging and general unfitness.

In 1938, the Act was further amended to admit the members of the Canadian contingent who served in South Africa during the South African War. The age limit of fifty-five years was removed in the case of the veteran who had seen service in a theatre of actual war and who, in the opinion of the Board, was considered incapable and unlikely to become capable of maintaining himself because of economic handicaps combined with physical or mental disability or insufficiency. The number of commissioners on the board was also increased from three to five and other amendments were brought into facilitate or clarify procedure.

Since 1938, the government, found it necessary to enlarge the filed of beneficiaries under the Act and to further provide for dependents of eligible veterans. Accordingly, orders in council were passed under the War Measures Act admitting to the benefits of the legislation—

- (a) Veterans of the North West Field Force.
- (b) Veterans of World War II.
- (c) Widows of all veterans as defined in the Act, and
- (d) Orphans.

Another class of recipients was also created to provide for those who had seen service in both World War I and World War II. This became known as the Dual Service Pension Order and its administration is entrusted to the War Veterans' Allowance Board by The Honourable The Minister. Other orders in council were passed to provide greater facilities for the continuation of children's education, care of veterans, the award of supplementary allowances and, later, an increase thereof.

When the War Veterans' Allowance Act was amended in 1936, the total number of veterans in receipt of allowances was 8,820, involving an annual expenditure of \$2,530,395.57. In 1938, the total number of veterans in receipt of allowances, had increased to 13,244 with an annual commitment of \$3,898,768.91. As at the 31st of March of this year recipients, comprising veterans of World War I, World War II, South African, North West Field Force, Dual Service Pensioners, Widows and Orphans, numbered 28,312, involving an annual liability of \$12,010,349.00.

It may be of interest to add that, since the commencement of operations, from 1st September, 1930, to 31st of March, 1946, the Board has dealt with 82,491 original applications and has carried out 206,563 reviews. Of the original applications received, 49.66 per cent were approved and 50.34 per cent declined. Allowances discontinued by death or for other reasons during that period total 15,015.

During the past eight years representations have been made by veterans' organizations and individuals with a view to broadening the scope of the present legislation with regard to matters of income, classes of veterans, dependents, etc. These matters will no doubt come to your attention in the course of your study of the legislation.

The proposed Bill (now submitted) embodies measures previously authorized by the Orders in Council above referred to and also contains, as amendments, recommendations approved by the Government, the main items of which are as follows:—

- (a) Increasing the basic amount of allowance from \$240 for a single veteran and \$480 for a married veteran or veteran with dependents, to \$365 per annum in the case of a single veteran and \$730 for a married veteran.

- (b) Raising the permissible income limits of both married and single recipients.
- (c) Lowering the age of eligibility in the case of female veterans to the age of 55. That is to bring it into line with the widows' legislation.
- (d) Giving powers to the minister to enact regulations relating to the administration of the Act on the advice of the board and with the approval of the Governor in Council.
- (e) Extension of the provisions of the Act on behalf of a child residing with a widowed parent and who is over the age of 21 years, but is prevented by physical or mental incapacity from earning a livelihood.
- (f) Provision for the appointment of temporary members to the board, if required.
- (g) A clause to guard against the possibility of "death-bed" marriages.

There are also some lesser changes in the proposed Bill which, in the main, are designed to facilitate administration or clarify procedure. These changes, as well as the amendments briefly outlined above, are respectfully submitted for your consideration and future deliberations.

*By Mr. Gillis:*

Q. Might I ask the witness this question, arising out of the discussion we just had? A veteran of both wars, in order to qualify for veterans' allowance, must have served overseas or be paid a 5 per cent pension. Is that not true?—A. No, sir. He can qualify by having served in Canada only in both wars. Front line service was not required for a pension in such case.

*By Mr. Quelch:*

Q. In regard to dual pension, a veteran can have served in His Majesty's forces other than Canadian in the first war, but must have served in the Canadian forces in the second war. I was wondering why the distinction was made. Why could he not be a veteran of the Imperial forces in both wars, provided he had been domiciled in Canada prior to his enlistment? Why do you make it Canadian forces in the second war, but forces other than Canadian forces in the first war?—A. I do not think it is that.

Q. That is in the draft bill.—A. Oh, in the draft bill?

Q. Yes, the draft bill which is before us.

The CHAIRMAN: Yes, I noticed that myself. I think it is a good question, Mr. Quelch. It very definitely states that if he served in His Majesty's forces he must have been domiciled in Canada when he entered them in the first war and must have served in the Canadian forces in the second war.

Mr. QUELCH: Yes.

The CHAIRMAN: The suggestion is that, as long as he was domiciled in Canada, he should be eligible if he served in His Majesty's forces in either war.

The WITNESS: That was the idea; he must have been domiciled in Canada prior to his service in World War I.

Mr. QUELCH: There would be no difficulty in amending this to read that way.

Mr. WOODS: Mr. Chairman, if he was domiciled in Canada before his service in the imperials in the second war, he is taken care of under the War Veterans' Allowance Act proper. It should be made clear, I think, that the dual service pension order was introduced to take care of Canadians who served in both wars, even although they did not serve in a theatre of war. But those who served in a theatre of actual war—and I am speaking of Canadians or Imperials now—in either war are eligible under the War Veterans' Allowance Act proper and the rates are the same under both pieces of legislation.



The CHAIRMAN: You are assuming if they served in the British forces, then again in the second war, they must have served beyond the borders of Canada?

Mr. WOODS: Yes.

Mr. QUELCH: Is that necessarily so? Would you not have any Imperials in the Canadian forces who had stayed in Canada?

The CHAIRMAN: As in the R.A.F.?

Mr. QUELCH: In the R.A.F.

Mr. WOODS: Yes. I would doubt if they had Canadian domicile, though. But in any event, if they served overseas and were domiciled in Canada before their service, they are taken care of under the War Veterans' allowance Act proper and do not need to use the dual service pension order. The dual service pension order, Mr. Chairman, was only designed to take care of that group who did not have service in a theatre of actual war. It was pointed out to us, when the War Veterans' Allowance Act was amended taking care of men who served in this war, that there were men who had served in both wars who did not get out of Canada or who did not get out of Great Britain. So the dual service pension order takes care of them even though they did not see service in a theatre of actual war.

Mr. BROOKS: Great Britain was not considered a theatre of actual war in the first great war?

Mr. WOODS: Not in the first great war, no.

*By Mr. Quelch:*

Q. Under the War Veterans' Allowance Act, no discretion is allowed the board to take care of a case where hardship arises as a result of a number of children, is there?—A. No.

Q. There is provision for an orphan, two orphans, a maximum of three?—A. Three or more, yes.

Q. Three or more. But the amount of pension for more is the same as for three?—A. Yes; \$730.

Q. And there is an allowance made in the case of a widow and one child but if there are two, husband and wife with five or six children, we will say, who incurred heavy expenditures through sickness, there is no allowance made to take care of that, even at the discretion of the board?

Mr. WOODS: No.

The WITNESS: There are no provisions made specifically for the children. The higher rate is given to a married man by virtue of the fact that he is married, and whether he has dependents or not. But the Act specifically exempts mother's allowance paid on behalf of children and also exempts the family allowance at the present time. That is not considered as income. So if they have children, they get the family allowance or mother's allowance in some provinces and no stock is taken of the amount thus obtained.

*By Mr. Brooks:*

Q. Considering the age of the veteran, would there be a great many minor children to be considered?—A. Not any very large number. There are some, though; there are a certain number. I could not say what percentage they would be. I suppose about 25 per cent or 30 per cent of the married families might have young children. But they are getting to the age of 16 in the case of boys and 17 in the case of girls.

Q. The majority would be getting pretty well on to the age limit?—A. Yes.

*By the Chairman:*

Q. There is just one other thing. The suggestion was made this morning by the representative of the dual service pensioners that pension should be paid to those who served in the Imperial forces and became domiciled in Canada by 1930. That raises the question of the number that would be involved in that suggestion. Of course, if you pay it to the Imperials who served in the British Army before and who came to Canada in 1930, then the question will arise, should you not pay it to Canadians who did not get beyond England in the first war. Have you got the figures in regard to those categories?—A. As regards the ex-Imperials?

Q. Yes. You might give the figures on the Canadians who did not get beyond England, and then the others.—A. Veterans with service in Canada only, 195,000.

Q. That is in the first great war?—A. Yes. Veterans with service in Canada and England, an additional 80,000, forming a total of 275,000 who did not see service on the continent in the last war.

Q. And they, unless they come under the dual pension provision, are not covered by the War Veterans' Allowance Act?—A. They are not, unless they be pensioners.

Q. Unless they are pensioners?—A. Pensioners.

Q. Have you any figures on the number of that group that are pensioners?—A. I do not think I have that here. There is a series of figures here, but I do not think they have been totalled. There are 16,000 5-per cent pensioners—

Q. Perhaps you could get those figures?—A. Yes. I could get those figures.

Q. And you could give them to us at the next meeting?—A. Yes.

Q. Have you got the figures on the Imperial veterans?—A. Yes. Based on the information secured in the last 1940 census, the Canadian Legion estimates there are 36,015 ex-Imperials living in Canada who would be eligible to apply for war veterans allowance if the pre-enlistment domicile clause in the War Veterans' Allowance Act was amended to September 1st, 1930, instead of being the date of enlistment or as in 1914, prior to enlistment. Do you want me to go on and give the full details?

Q. Yes.—A. If the established rate of death of 3 per cent per annum is applied to the above figures, it would be reduced to 30,929 as of December 31, 1945. As the War Veterans' Allowance Act now stands 15 per cent of the potentially eligible veterans have been admitted to the benefits of the Act. If this percentage is applied to the above figure of 30,929, it would amount to 4,639 applicants to be admitted to the benefits of the Act.

*By Mr. Brooks:*

Q. That is, Imperials?—A. Ex-Imperials, yes. Shall I go on?

*By the Chairman:*

Q. Yes, because the committee will want all the information.—A. The average yearly rate of veterans' allowance now being paid to veterans only—that is exclusive of widows and so on—is \$426.52 per annum. So that the annual liability of admitting 4,639 ex-Imperials to the Act would be \$1,978,628.28.

*By Mr. Brooks:*

Q. Would not many of these Imperial veterans be receiving pensions from the Imperial government?—A. I could not say how many would, but a certain proportion would. The pension may not be high and it would allow us possibly to supplement that pension by an allowance.

Q. What I mean is that they would not come under the 4,639. I think the pension they receive is about \$38, is it not, Mr. Woods?

Mr. Woods: Something like that, I think.

The WITNESS: There might be a certain number of those. I do not know if we could get those figures from the Imperial branch of the Canadian Legion.

The CHAIRMAN: You heard the submission of Captain Herbison and you have had that submission before you for quite a length of time. Have you got any figures you could give to the committee as to the number that would be affected by that, and generally the information that would be relevant to it?—A. Under the dual service pension order?

Q. Yes.—A. I do not think there is an estimate made of dual service possible pensioners under that order during both wars. I could get that for you.

Q. And there is a submission which, of course, you have read, from the Canadian Legion as to what they would like to see done under this Act. Have you got any information in regard to that, the number involved and all the information in regard to it?—A. For the ex-Imperials?

Q. No, for the others.—A. I think I have that information here.

Q. They made a submission as to the raising of rates and so on.—A. I have some figures here, yes, a recapitulation, estimated cost of suggested changes in the Canadian War Veterans' Allowance Act.

Q. Yes. I think the committee would like to have those.—A. All those items?

Q. Yes.—A. It is dealing with figures. I have not got the actual numbers of men involved.

Q. Oh, I see. We have had submissions from the Canadian Legion and we have had submissions from the Council of Veterans and now we have had a submission from Captain Herbison. I think the committee would like to have a statement from you as to the number that would be involved in regard to these different submissions and a statement as to what that would involve, so that we would have an idea of the picture which faces us if we were to undertake to recommend all or part of these recommendations.

Mr. LENNARD: This would include also the South African War?

The CHAIRMAN: Yes.

Mr. MUTCH: And the Riel Rebellion.

The CHAIRMAN: We will be taking up the recommendations that have been made to us and which are now on the record, and the committee will want a submission from somebody, either you or the department, in regard to these various matters.

Mr. MUTCH: With respect to this bill, Mr. Chairman, we have had recommendations from the Legion and various other formal presentations before us for some time. Might we not save duplication of debate and explanation if we began almost at once a detailed consideration of the draft of the proposed bill? Then these various recommendations could be discussed with respect to each clause as it comes up? It seems to me that we will duplicate much discussion if we have a long general discussion and then begin on the bill. I do not know what the feeling of the committee is, but that is my feeling.

Mr. LENNARD: I think, Mr. Chairman, that what you are asking for is more complete information.

The CHAIRMAN: Yes. We could have that brought before us tomorrow. We have got half an hour yet. I suppose we might run over the bill and see what clauses we would require to stand at this point for further consideration.

Some hon. MEMBERS: Carried.

The CHAIRMAN: Is that satisfactory?

Some hon. MEMBERS: Yes.

Mr. BROOKS: As long as we allow any to stand that we feel should stand.

The CHAIRMAN: Anything stands that anyone wants to discuss.



Mr. MUTCH: The idea is that we can perhaps save a lot of duplicate discussion.

The CHAIRMAN: I will just name them. First of all, clause 1.

1. This Act may be cited as the War Veterans' Allowance Act, 1946.

Some hon. MEMBERS: Carried.

The CHAIRMAN: Clause 2 (a). Is that carried?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Clause 2 (b)?

Mr. BROOKS: I think that had better stand.

The CHAIRMAN: Clause 2 (b) stands. Clause 2 (c); is that carried.

Some hon. MEMBERS: Carried.

The CHAIRMAN: Clause 2 (d)?

Mr. BROOKS: I think that had better stand.

The CHAIRMAN: Stands. Clause 2 (e); is that carried?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Clause 2 (f); is that carried?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Clause 2 (g)?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Clause 2 (h)?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Now we have the definitions of "the war". In clause 2 (i) it means the Northwest Rebellion of the year one thousand eight hundred and eighty-five, and so on. That is just the definition of "war" in respect to the various wars.

Mr. MUTCH: That is the one they are now operating under an order in council.

The CHAIRMAN: So that can be carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Paragraph (ii), the South African War which shall be deemed to have commenced on the 11th day of October, 1899, and to have concluded on the 31st day of May, 1902.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Paragraph (iii) World War I. It defines that the same as in the others.

Mr. BROOKS: Is that the same as the Pension Act?

The CHAIRMAN: I think it was made to conform with the Pension Act, was it not, Mr. Gunn?

Mr. GUNN: It is to the same effect, Mr. Chairman.

The CHAIRMAN: Yes.

Mr. GUNN: The wording may be slightly different for the reason that we tried to retain as much as possible of the original language of the Act.

Mr. BROOKS: Do you not think, Mr. Chairman, that it should be the same as the Pension Act?

Mr. MUTCH: The dates are the same.

Mr. BROOKS: I would ask that to be allowed to stand until we see about it.

The CHAIRMAN: All right. Stands.

Paragraph (iv) World War II.

Mr. BENTLEY: What did you decide about World War I?

The CHAIRMAN: We are going to let it stand and see what our departmental solicitor has to say about having it conform to the language of all of our veterans' affairs legislation. The idea is to have a veterans' charter, and it seems to me Mr. Brooks' idea that all definitions, as far as possible, should be the same, is a good one. I think that is sound, because the idea is to assemble it all in one charter ultimately.

Then, coming to (j), theatre of actual war means—

Mr. MUTCH: What about World War II?

The CHAIRMAN: That stands to let Mr. Gunn study it. "Theatre of actual war" we certainly can carry. We certainly can carry (j) (i).

Mr. BROOKS: That would mean anywhere in Canada?

The CHAIRMAN: Wherever he served. Is that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Then the South African War, (j) (ii).

Mr. MUTCH: No change in that.

The CHAIRMAN: Can we declare that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Then we have (j) (iii). We will have a debate on that, as to what shall be considered a theatre of actual war in regard to World War I.

Mr. MUTCH: That is (iii)?

The CHAIRMAN: That is subsection 3.

Mr. BROOKS: In the case of the South African War, were there not some of our soldiers who did not get to the war? Were there not some who started out, but it was too late, so they came back?

The WITNESS: They had to actually land in South Africa prior to the 1st of June, 1902. This is the wording of the Act as it now stands:

Any former member of a Canadian contingent who served in South Africa during the South African War; provided that such former member of a Canadian contingent landed in South Africa prior to the 1st day of June, 1902.

The CHAIRMAN: That is in part I of the Act on page 4. This just defines it, so that we can carry it.

The WITNESS: That was in the former Act.

Mr. BENTLEY: Have there ever been any submissions from anybody asking for any changes in that.

The WITNESS: There have been no heavy submissions on the score of the period, the actual period of service or time.

The CHAIRMAN: Now, we will have (ii) carried; and (iii) and (iv)—

Mr. MUTCH: (iii) and (iv) stand.

The CHAIRMAN: Well, (iv) is just the same definition as is in the War Service Grants Act.

Mr. GUNN: No. I would not say that, Mr. Chairman. It is exactly the same as the order in council which brought these new veterans in.

The CHAIRMAN: But it is the same as the War Service Grants Act in effect.

Mr. GUNN: In effect, yes.

Mr. MUTCH: Stand (iii) and (iv) for the same reason.

The CHAIRMAN: Why should not we have them the same, if it is exactly the same in effect?

Mr. GUNN: We tried to retain the language of the order in council.

The CHAIRMAN: But having in mind the stated intention of the minister that this should all be embodied in a charter, should we not have as much the same phraseology as possible?

Mr. BENTLEY: Yes.

Mr. MUTCH: Stand (iii) and (iv).

Mr. GUNN: That is desirable, Mr. Chairman.

The CHAIRMAN: We will let that stand.

Mr. GUNN: This was printed originally last fall, you will remember, Mr. Chairman.

The CHAIRMAN: Yes, that is right. We will let that stand for you to look into having it the same. It seems to be exactly the same language.

Mr. MUTCH: The expression of the committee is the same as yours. It should be unanimous.

The CHAIRMAN: Paragraph (k) "widow", is that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Then clause 3, subsection (1), "There shall be a board to be known as the War Veterans' Allowance Board"; is that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: And paragraph (2). Is that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Paragraph (3)?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Paragraph (4)?

Mr. BROOKS: You are going over these so fast, Mr. Chairman, that we cannot read them.

The CHAIRMAN: If I am going too fast, just say so.

Mr. BROOKS: If you are going to pass them in that way, I shall have to object. I think we should read them.

The CHAIRMAN: I understood you had read them. If I am going too fast, just tell me.

Mr. BROOKS: It is pretty hard to just keep up with you.

The CHAIRMAN: Paragraph (2) is with regard to the chairman of the board.

The WITNESS: It is all in the old Act.

The CHAIRMAN: It is carried.

Mr. BROOKS: There is something underlined there. What about that?

Mr. GUNN: May I point out, for the assistance of the committee, that only the underlined portions are new material. The rest has been before the committee since last fall.

The CHAIRMAN: Yes.

Paragraph (4) is provision for the appointing of not more than three additional temporary members.

Mr. BROOKS: I think we should have some explanation as to why there is a change there. I think wherever there is a change there should be an explanation.

The CHAIRMAN: Yes. Could you give that, Colonel Garneau; either you or Mr. Woods?

The WITNESS: The idea behind that is that if there are some major changes effected in the Act, we will have to review practically all the cases now under allowances and adjust everything based either on the income changes that may be brought in or take into consideration the wider class of recipients or a broader field; and so as not to cause unnecessary hardships or delays in considering these



cases, the government has provided that three additional members, and not more than three, could be appointed as required to get over the hump, so to speak, of readjusting the legislation as it may come out from parliament after this.

*By Mr. Mutch:*

Q. They are just ad hoc members?—A. In fact, they are ad hoc members.

*By Mr. Brooks:*

Q. What qualifications would they have? Would they have the same qualifications as regular members?—A. Yes, they could be taken from the civil service or appointed from outside. I presume it would be the intention of the government to consider only veterans for appointment.

Mr. MUTCH: Oh, yes. Nobody else has ever been appointed yet.

The WITNESS: No.

The CHAIRMAN: Is that carried?

Some Hon. MEMBERS: Carried.

Mr. QUELCH: Are not all the major changes in this Act already embodied in the orders in council?

The CHAIRMAN: No.

The WITNESS: Oh, no.

The CHAIRMAN: No. The raising of the basic rate is an important change. The amount payable is in the order in council but the basic rate is being raised. Then the raising of the income limit is a very important change. It will involve quite heavy charges on the public funds. If a man is getting the full basic rate to-day, all that he can get is \$125 casual earnings and \$25 from interest on investments and so on. Under the suggestion that is in the proposed bill, he can get, in addition to that, if he is a single man, \$125 and if he is a married man, \$250; so it will enable a man who is getting pension, if he is a single man, up to \$125, to draw that new additional to what he has been drawing heretofore. If he is a married man, he can draw a pension of \$250 without its interfering with his war veterans' allowance.

Mr. QUELCH: Was that not brought in last year under the war veterans' allowance?

The CHAIRMAN: No.

Mr. QUELCH: I thought it was.

The CHAIRMAN: No. I should like to see this bill put into effect as soon as possible, because it is going to help a great many people.

Mr. MUTCH: We had that before the committee. What you are thinking of, Mr. Quelch, is that it was in the proposals which we considered, but we never got to it.

Mr. QUELCH: That is it, yes.

The CHAIRMAN: Paragraph (4); is that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Paragraph (5), appointment for one year, and that can be renewed.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Now paragraph (6) is quite important. It says that the chairman shall have the rank and standing of a deputy head of a department for the purposes of this Act.

Mr. BROOKS: That is new.

Mr. HERRIDGE: I should like some explanation of that. Is the reason for that in order to effect the order of precedence, shall I say, or has it any economic purpose?

The CHAIRMAN: I do not know, really. The deputy minister is here and the chairman of the board is here. We could probably hear from both of them, because it affects both of them.

Mr. MUTCH: Up to now it has only been prestige.

Mr. WOODS: I think Mr. Mutch has put his finger on it, that up to the present time that phrase in the legislation has only been prestige. After all, the department proper services the War Allowances Board as to staff, just as we do the Canadian Pension Commission. We provide them with quarters. We promulgate their decisions. I presume the only advantage in making provision that the chairman shall have the rank of a deputy head is that he is free to approach the minister and he is free to approach the Civil Service Commission. He presumably enjoys a little more freedom than before that phrase was introduced. But I agree with Mr. Mutch. I think the advantage is largely psychological. I do not know of any practical purpose. I do not think there is any statutory definition of the standing of a person who is a deputy head for the purposes of this Act. Mr. Gunn can correct me if I am wrong.

The CHAIRMAN: In our department, Mr. Woods, you are the deputy minister; and then of course, one department is the Veterans' Land Act administration. Mr. Murchison has the standing of a deputy minister. Is not that right?

Mr. GUNN: Just the same as this.

The CHAIRMAN: So far as that is concerned, there can be things happen in regard to the Veterans' Land Act, which, because of his ability to approach the minister directly, you know nothing about. Is that correct?

Mr. WOODS: That is correct.

The CHAIRMAN: In regard to the Pension Act, the Chairman of the Pension Commission is in the same position. He approaches the minister direct.

Mr. WOODS: Yes.

The CHAIRMAN: So that what goes on there you cannot have any idea of, unless you find out about it.

Mr. WOODS: Yes.

The CHAIRMAN: The suggestion now is, as I understand it, that there shall be another branch that is not in any way under the jurisdiction of the deputy minister. Is that it? In other words, if you give the chairman of this body the standing, he will not be under the deputy minister.

The WITNESS: The board actually is not under the deputy minister, Mr. Chairman. It is an independent body, responsible directly to parliament,—like the pension commission,—through the minister. That was the idea of raising the status of the chairman, in line with that of the Pension Commission. It always has been such, even when Mr. Woods was our first chairman of that board in 1930.

Mr. GUNN: Mr. Chairman, I might perhaps indicate that the minister has only one deputy. I do not think there is any provision under our law for a minister to have more than one deputy. The deputy is named, and as deputy he is the alter ego, you might say, of the minister; he has certain powers almost equal to those of the minister, powers for administrative purposes equal to the minister. His executive powers are more limited. I think the purpose of this particular section or clause is to give to the chairman administrative powers that he lacks to-day, administrative control, prestige; but I think that the deputy standing that he gets is still subservient to that of a deputy minister and the minister. There is no parity, if I might put it that way.

The CHAIRMAN: Yes. But if they are given by parliament the same rank—

Mr. GUNN: Rank is different from power. May I make this distinction: it is rank and standing, not power. That is the distinction, as I see it.

Mr. MUTCH: It goes back to what I said at the start; it is a matter of prestige. It cannot hurt anybody.

Mr. GUNN: And administrative facility. He is able to control his immediate commissioners and staff and so on more effectively.

Mr. LENNARD: I might say that is a point that should be very definitely cleared up, because you cannot have too many bosses.

The CHAIRMAN: That is what I am just wondering.

Mr. HERRIDGE: That is just the point I wished to raise.

Mr. LENNARD: If we have a Deputy Minister of Veterans' Affairs, he should be the deputy.

Mr. HERRIDGE: It is very confusing to the public.

Mr. WINTERS: Is it not true that in some departments there are two deputy ministers?

Mr. GUNN: One is an associate of the minister; I am told there is that distinction.

Mr. WINTERS: The army had two. I thought they were on the same level.

Mr. GUNN: That is by virtue of a special Act.

Mr. ADAMSON: The Department of National Revenue has two deputy ministers, the Deputy Minister of Customs and Excise and the Deputy Minister of Taxation.

Mr. LENNARD: We do not need two deputy ministers in the Department of Veterans' Affairs.

Mr. GUNN: I think you will find, Mr. Adamson, that their duties are specified.

Mr. ADAMSON: Definitely.

Mr. GUNN: I think you put it nicely. You mentioned the Deputy Minister of Excise who has certain duties and likewise the Deputy Minister of Revenue who has certain duties.

Mr. ADAMSON: Well, they both sign themselves as deputy ministers.

Mr. GUNN: Yes.

The CHAIRMAN: And both approach the minister as head of that particular branch of the department.

Mr. GUNN: Oh, yes.

The CHAIRMAN: In other words, I do not think there is any doubt, if you give anyone the standing of a deputy minister, or the rank and standing of a deputy minister, there are certain things that seem to me to go along with that; and one is the right to approach the minister direct.

Mr. JUTRAS: In this case would the chairman sign as deputy minister?

The CHAIRMAN: No; he would sign as the chairman of the board.

Mr. LENNARD: Suppose the minister is out in British Columbia and you have the deputy minister here. Then suppose the administrator of the Veterans' Land Act does not choose to approach the deputy minister. Well, the matter in question is just shelved until the minister comes back. What good is a deputy minister if he has not the full authority of a deputy minister? If you are going to have half a dozen deputy ministers, no one will know what the position is. What does a deputy minister know about what is going on in these different departments if he is not a deputy minister with the authority of a deputy minister? If you are going to have half a dozen deputy ministers and they are all at loggerheads, where are you going to land?



Mr. MUTCH: Behind the eightball.

Mr. BROOKS: I think that should stand for more consideration.

The CHAIRMAN: We will have that stand. Then paragraph (7)—two members of the board shall constitute a quorum. That is the same as it was before.

Mr. BROOKS: What is the quorum now?

The CHAIRMAN: The same as it was before. Is that carried?

Some Hon. MEMBERS: Carried.

Mr. BROOKS: With the appointment of more temporary members to the board, is two enough?

The WITNESS: Yes. We always kept the quorum at two. It was originally, in 1930, at two and it was kept at two when the board was increased to five, because we found in practice we were able to deal quickly with the Act. The commissioners are quite familiar with the legislation and they sit as two members, one making the decision, or they discuss it with one of the colleagues and the other one countersigns or makes the original decision. We find in that way we can expedite the work much faster, by having two working together, so to speak, right along. So that there would be, if we had temporary members added to that, three groups of two, so to speak, instead of two, as at present; and the work would go much faster.

Mr. BROOKS: The only thing is this. You have the principle of two men making a decision where there might be four on the board, who were not there. You have not a majority making the decision, that is all; and the quorum, usually I think, contemplates that the majority would make the decision.

Mr. MUTCH: Is it not more correct in the case of this board to say that the board makes an interpretation rather than a decision? There is a lot of difference between the deliberations of this board and those of the Pension Commission. In the case of the Pension Commission, they determine what interpretation shall be placed on legislation, whereas this board is more largely administrative. Is that not correct?

The WITNESS: No. We have to interpret "service" and "income". There are certain decisions, administratively speaking. I do not know if I got your point very clearly or not. For instance, a veteran would make his application for veterans' allowance. We have all the information there, and there may be a decision as to eligibility that is involved, interpretation of the nature of his service.

Mr. MUTCH: That is my point. In that case you make a decision based on the facts in front of you.

The WITNESS: Yes, but there are certain matters of interpretation coming up.

The CHAIRMAN: I think your difficulty, Mr. Brooks, would be this. If you increase your quorum to three, you lose the benefit of the extra men; because now, you see, two men can work together. If you increase your quorum, it means that by putting two more men on the board—

Mr. BROOKS: That was not my point, Mr. Chairman. My point was this. We have two men to make a decision. Unless those two men agree, they cannot make a decision,—where this is one man saying one thing and one another.

The CHAIRMAN: Oh, yes, I see what you mean.

Mr. BROOKS: Then you really need a third man in order to make a decision.

The CHAIRMAN: What do you do then, Colonel Garneau?

The WITNESS: We are always sitting together. A board sits continuously in the board room. We have no sort of what I might call formal set-up, or

anything like that. But five of us are all around one board table and they deal with a certain number of files. If a discussion arises on some point or other between two members, and one of the members disagrees with the other, they submit it to the crowd. The others stop their work and we discuss the thing in a round table manner, and there is always a majority decision in that case. The one member then withdraws the whole objection. There will be four to one, or three to two. We never have, so to speak, a stalemate.

*By Mr. Brooks:*

Q. It is only as a quorum when you agree?—A. It is a quorum.

Q. I would assume if it works out that way that it would be satisfactory.—

A. I may state that it works out very satisfactorily.

Some Hon. MEMBERS: Carried.

The CHAIRMAN: That is carried. Then paragraph (8)—full time duty. Is that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Paragraph (9) is exactly as it was before. Is that carried?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: And paragraph (10).

Mr. BROOKS: I think that this matter of regulations should be allowed to stand.

The CHAIRMAN: That stands.

Mr. BROOKS: For more information regarding it.

The CHAIRMAN: Yes. Paragraph (11) is the same as it was before. Is that carried?

Some Hon. MEMBERS: Carried.

Mr. BROOKS: It is 1 o'clock.

The CHAIRMAN: I think we have done pretty well this morning. We will adjourn until Thursday at 11 o'clock.

The committee adjourned at 1 p.m. to meet again on Thursday, June 13, at 11 o'clock a.m.

























Government  
Publications



BINDING SECT. JAN 21 1980

Government  
Publication

